

**SCHOOL DISTRICT OF THE
BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

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**School District
of**

Ramsey

**RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2014**

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Comprehensive Annual Financial Report

of the

RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey

Year Ended June 30, 2014

Prepared by

Robert J. Marcotulli
Assistant Superintendent-Business/Board Secretary

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INTRODUCTORY SECTION

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RAMSEY BOARD OF EDUCATION
RAMSEY PUBLIC SCHOOLS
266 East Main Street
Ramsey, NJ 07446
Ph. (201) 785-2300

MATTHEW J. MURPHY, Ed.D.
SUPERINTENDENT OF SCHOOLS

ROBERT J. MARCOTULLI
ASSISTANT SUPERINTENDENT-BUSINESS
BOARD SECRETARY

November 11, 2014

Honorable President and
Members of the Board of Education
Ramsey School District
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Ramsey School District for the fiscal year ending June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, the management's discussion and analysis, and the financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Ramsey School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement #34. All funds and account groups of the District are included in this report. The Ramsey School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. During

the 2013-2014 fiscal year, the average daily enrollment of 2,942 students is 35 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment Data

Fiscal Year	Average Daily Enrollment	% Change
2013-2014	2,942	-1.18%
2012-2013	2,977	-1.55%
2011-2012	3,024	-1.08%
2010-2011	3,057	-1.45%
2009-2010	3,102	-0.19%
2008-2009	3,108	-0.73%
2007-2008	3,131	0.17%
2006-2007	3,126	2.02%
2005-2006	3,064	1.36%
2004-2005	3,023	2.41%

2. ECONOMIC CONDITION AND OUTLOOK: The Ramsey community is essentially developed to almost capacity. The increase in ratables during the past decade has slowed as a result of a decline in new construction. As of 2006, there were only 31.0 acres of vacant land in the borough. As a result, the ratable base is not expected to increase significantly.

As a suburb of the New York Metropolitan area, the region has seen an increase of 1.7% in the consumer price index for the year ending June, 2014.

3. MAJOR INITIATIVES: The 2013-2014 school year saw several new projects and initiatives that deserve mention.

The District continued with a major 21st Century learning initiative that drives our curriculum, instruction, assessment, technology and professional development planning. District wide attention was spent on unpacking the Common Core State Standards and integrating them into our 21st Century learning classrooms. We focused on *Design Thinking* professional development that provided rich, authentic, problem based learning activities for the students. In addition, the District expanded our one-to-one iPad initiative for all teachers and students in grade nine and specific High School classes to embed the use of technology in our new curriculum.

The District Evaluation Advisory Committee (DEAC) continued to guide and monitor the implementation of the new Teacher Evaluation instrument. Budget dollars were used to purchase the Stronge evaluation system, the OASYS data base, and also to fund professional development in support the requirements of the State mandate.

A large focus of the year was the renewing of the sending-receive relationship with the Saddle River Public Schools for an additional ten years. Saddle River students attend the Ramsey schools in

grades 6-12, which provides mutual benefits to both Districts. The tuition income to Ramsey contributes to the long term financial stability of the District.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the District is protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

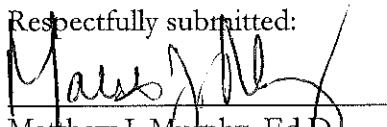
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

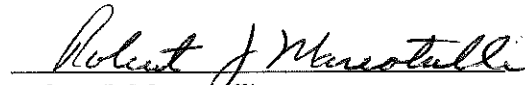
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva, P.A. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

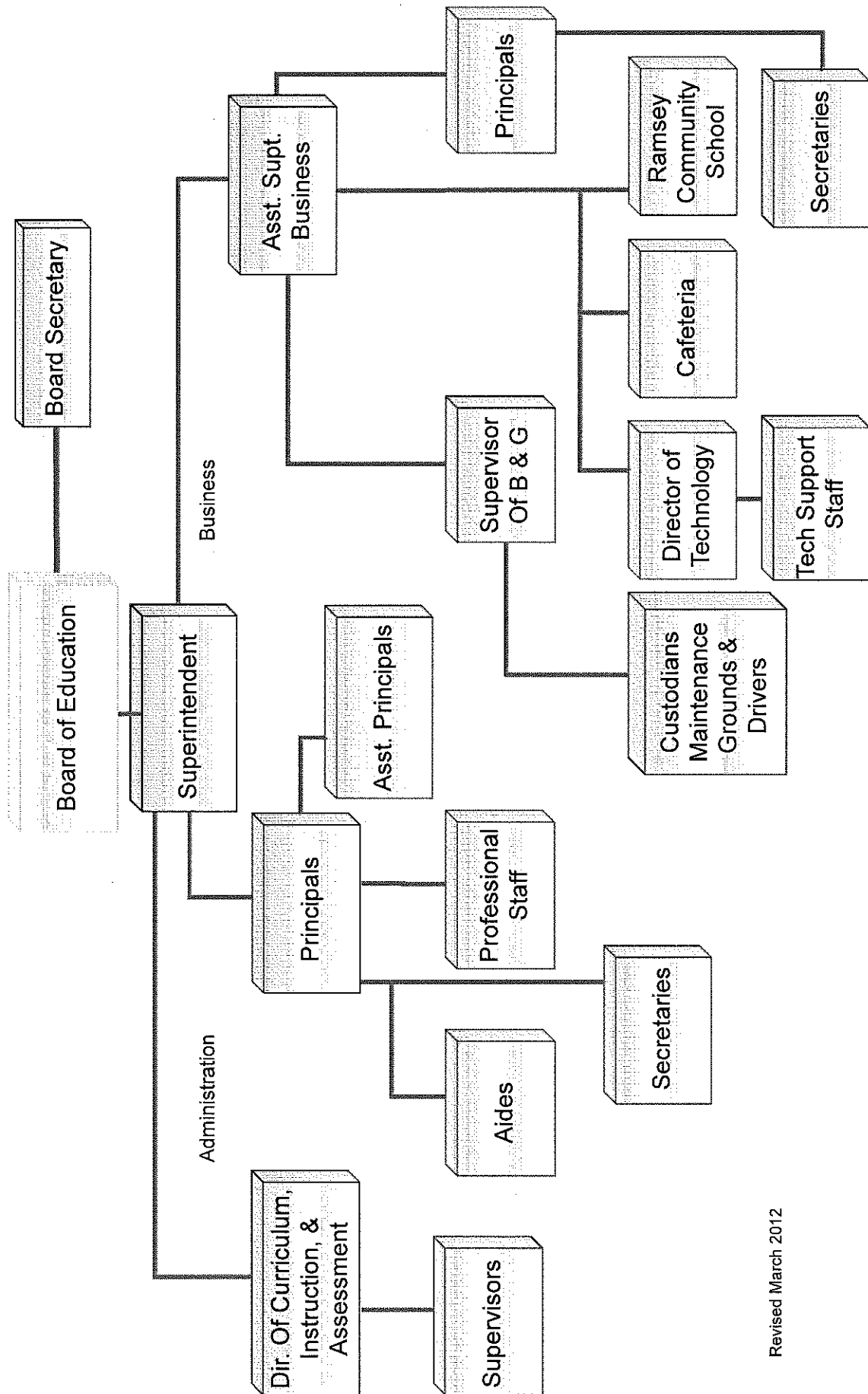
9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Ramsey School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:


Matthew J. Murphy, Ed.D.
Superintendent of Schools


Robert J. Marcotulli
Assistant Superintendent-Business/Board Secretary

Ramsey Public Schools



Revised March 2012

**RAMSEY BOARD OF EDUCATION
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony Gasparovich, President	2014
Laura E. Genovese Behrmann	2014
Timothy Finnegan	2016
Mae Fine	2015
James Meiman	2014
Claudia Monteith	2016
Richard S. Muti	2015
David Rockefeller	2015
Carrie Williams, Vice President	2016

Other Officials

Dr. Matthew Murphy, Superintendent of Schools

Robert J. Marcotulli, Assistant Superintendent-Business Administrator/Board Secretary

Robert M. Jacobs, Esq. Solicitors

LAN Associates, Architects

**RAMSEY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2014**

Architect/Engineer

LAN Associates Engineering
445 Godwin Avenue
Midland Park, NJ 07432

Audit Firm

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Robert M. Jacobs, Esq.
Winne, Banta, Hetherington
Basralian & Kahn, P.C.
Court Plaza South - East Wing
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P.O. Box 647
Hackensack, NJ 07602

Official Depositories

TD Bank, N.A.
Lake Street
Ramsey, NJ 07446

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FINANCIAL SECTION

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Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

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Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey
Ramsey, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Ramsey Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ramsey Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2014 on our consideration of the Borough of Ramsey Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

Honorable President and
Members of the Board of Education
Page 4.

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Ramsey Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 11, 2014



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

As management of the Borough of Ramsey School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Ramsey School District for the fiscal year ended June 30, 2014.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased \$2,850,209. Net position of governmental activities increased \$2,863,871 while net assets of business-type activity decreased by \$(13,662).

General revenues accounted for \$59,095,447 in revenue or 97 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,808,832 or 3 percent of total revenues of \$60,904,279.

The School District had \$57,343,975 in expenses related to governmental activities; only \$1,112,463 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$59,095,383 were adequate to provide for these programs.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Ramsey School District's basic financial statements. The Borough of Ramsey School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Ramsey School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Ramsey School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Ramsey School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the Borough of Ramsey School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Ramsey School District include instruction, support services and special schools. The business-type activities of the Borough of Ramsey School District include the food service program.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Ramsey School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Ramsey School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough of Ramsey School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Ramsey School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

The Borough of Ramsey School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Ramsey School District uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Ramsey School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position was \$28,047,841 at June 30, 2014 and \$25,197,632 at June 30, 2013, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2014 compared to 2013 (Table 1) and change in net position (Table 2) of the School District.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets						
Current and Other Assets	13,563,290	11,368,043	205,444	250,229	13,768,734	11,618,272
Capital Assets	<u>35,018,002</u>	<u>36,109,438</u>	<u>46,391</u>	<u>34,829</u>	<u>35,064,393</u>	<u>36,144,267</u>
Total Assets	<u>48,581,292</u>	<u>47,477,481</u>	<u>251,835</u>	<u>285,058</u>	<u>48,833,127</u>	<u>47,762,539</u>
Deferred Outflows:						
Unamortized Bond Issuance Costs	<u>137,941</u>	<u>155,184</u>	_____	_____	<u>137,941</u>	<u>155,184</u>
Total Deferred Outflows	<u>137,941</u>	<u>155,184</u>	_____	_____	<u>137,941</u>	<u>155,184</u>
Liabilities						
Current Liabilities	2,770,024	2,811,756		19,561	2,770,024	2,831,317
Noncurrent Liabilities	<u>17,040,475</u>	<u>18,636,955</u>	_____	_____	<u>17,040,475</u>	<u>18,636,955</u>
Total Liabilities	<u>19,810,499</u>	<u>21,448,711</u>	_____	<u>19,561</u>	<u>19,810,499</u>	<u>21,468,272</u>
Deferred Inflows:						
Unamortized Bond Issuance						
Premiums	<u>1,112,728</u>	<u>2,165,104</u>	_____	_____	<u>1,112,728</u>	<u>2,165,104</u>
Total Deferred Inflows	<u>1,112,728</u>	<u>2,165,104</u>	_____	_____	<u>1,112,728</u>	<u>2,165,104</u>
Net Assets						
Net Investment in Capital Assets	18,278,215	17,432,803	46,391	34,829	18,324,606	17,467,632
Restricted	9,794,237	7,794,779			9,794,237	7,794,779
Unrestricted	<u>(276,446)</u>	<u>(295,447)</u>	<u>205,444</u>	<u>230,668</u>	<u>(71,002)</u>	<u>(64,779)</u>
Total Net Position	<u>27,796,006</u>	<u>24,932,135</u>	<u>251,835</u>	<u>265,497</u>	<u>28,047,841</u>	<u>25,197,632</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2014 compared to 2013.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			592,876	597,772	592,876	597,772
Operating Grants and						
Contributions	1,112,463	1,121,693	103,493	93,915	1,215,956	1,215,608
General Revenues:						
Taxes:						
Property taxes	50,710,126	50,087,164			50,710,126	50,087,164
Federal and State Aid not						
Restricted	6,402,622	6,819,525			6,402,622	6,819,525
Federal and State Aid -						
Capital Outlay		5,400				5,400
Tuition Received	1,859,684	1,329,177			1,859,684	1,329,177
Miscellaneous Income	115,810	61,106		12,706	115,810	73,812
Investment Earnings	<u>7,141</u>	<u>216</u>	<u>64</u>	<u>25</u>	<u>7,205</u>	<u>241</u>
Total Revenues and Transfers	<u>60,207,846</u>	<u>59,424,281</u>	<u>696,433</u>	<u>704,418</u>	<u>60,904,279</u>	<u>60,128,699</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Functions/Program Expenses						
Instruction:						
Regular	21,945,607	21,847,647			21,945,607	21,847,647
Special Education	4,720,971	4,651,567			4,720,971	4,651,567
Other Special Instruction	913,949	924,521			913,949	924,521
Other Instruction	1,161,090	1,099,984			1,161,090	1,099,984
Support Services:						
Tuition	2,446,519	2,336,364			2,446,519	2,336,364
Student & Instruction						
Related Services	8,269,347	7,733,785			8,269,347	7,733,785
General Administrative						
Services	1,339,512	1,247,047			1,339,512	1,247,047
Central Services	558,455	538,395			558,455	538,395
Administrative Info. Tech.	17,460	17,460			17,460	17,460
School Administrative						
Services	2,176,490	2,177,689			2,176,490	2,177,689
Plant Operations and						
Maintenance	4,945,370	4,792,863			4,945,370	4,792,863
Pupil Transportation	1,417,645	1,350,075			1,417,645	1,350,075
Unallocated Benefits	4,423,952	5,163,141			4,423,952	5,163,141
Capital Outlay-						
Non-depreciable	751,687				751,687	
Interest on Long-Term Debt	580,083	664,734			580,083	664,734
Unallocated depreciation	1,797,686	1,603,072			1,797,686	1,603,072
Capital Lease Obligation and						
Amortization	(121,848)	(121,848)			(121,848)	(121,848)
Food Service			710,095	730,013	710,095	730,013
Total Expenses	<u>57,343,975</u>	<u>56,026,496</u>	<u>710,095</u>	<u>730,013</u>	<u>58,054,070</u>	<u>56,756,509</u>
Increase or (Decrease) in						
Net Position	<u>2,863,871</u>	<u>3,397,785</u>	<u>(13,662)</u>	<u>(25,595)</u>	<u>2,850,209</u>	<u>3,372,190</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$58,054,070. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$50,710,126 because some of the cost was paid by those who benefitted from the programs \$592,876, by other governments and organizations who subsidized certain programs with grants and contributions \$7,618,578, and by miscellaneous sources \$1,982,699.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$13,662.
- ✓ Charges for services provided totaled \$592,876 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$103,493.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2014, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$52,692,761	87.5%	\$1,215,098	2.36%
State Source	6,685,950	11.1%	(408,582)	(5.76)%
Federal Source	<u>829,135</u>	<u>1.4%</u>	<u>(22,951)</u>	(2.69)%
Total	<u>\$60,207,846</u>	<u>100.0%</u>	<u>\$783,565</u>	1.32%

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$24,219,066	41.8%	\$82,275	.34%
Undistributed	30,117,301	51.9%	(132,309)	(.44)%
Debt Service	2,421,896	4.2%	(28,406)	(1.16)%
Capital Outlay	<u>1,239,417</u>	<u>2.1%</u>	<u>(536,356)</u>	<u>(30.20)%</u>
Total	<u>\$57,997,680</u>	<u>100.0%</u>	<u>(\$614,796)</u>	<u>(1.05)%</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2014, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was decreased by \$(21,751) for decreases in federal and state grant awards.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

General Fund

The general fund actual revenue was \$56,649,127. That amount is \$5,251,707 above the final amended budget of \$51,397,420. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,423,952 for TPAF social security reimbursements and on-behalf pension payments, an excess in other state and federal aids of \$336,715 and an excess of \$491,040 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$53,421,640 including transfers which is \$1,279,024 above the final amended budget of \$52,142,616. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$4,423,952, and \$3,144,928 unexpended budgeted funds.

General fund had total revenues of \$56,649,127 and total expenditures and transfers of \$53,421,640 with an ending fund balance of \$10,881,995.

Special Revenue Fund

The special revenue fund actual revenue was \$1,112,463. That amount is below the original budget estimate of \$1,167,258 and below the final amended budget of \$1,145,507. The \$(21,751) variance between the original and final budget was due to additional state grant monies awarded and a reduction in federal awards to the District after the original budget was approved. The \$(33,044) variance between the final amended budget and the June 30, 2014 actual results was due to the deferral of State grants received in the current fiscal year to be spent in the next fiscal year and miscellaneous receivables.

The actual expenditures of the special revenue fund were \$1,112,463, which is below the original budget of \$1,167,258 and below the final amended budget of \$1,145,507. The \$(21,751) variance between the original and final budget was due to a reduction in federal grants awarded to the District after the original budget was approved. The \$(33,044) variance between the final amended budget and the June 30, 2014 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014 the School District had \$62,169,597 invested in sites, buildings, equipment. Of this amount \$27,105,247 in depreciation has been taken over the years. We currently have a net book value of \$35,064,393. Table 3 shows fiscal year 2014 balances compared to 2013.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Sites and Improvements	\$4,425,700	\$4,425,700	\$	\$	\$4,425,700	\$4,425,700
Buildings and Improvements	29,251,305	29,924,849			29,251,305	29,924,849
Furniture, Equipment and Vehicles	<u>1,340,997</u>	<u>1,758,889</u>	<u>46,391</u>	<u>34,829</u>	<u>1,387,388</u>	<u>1,793,718</u>
	<u>\$35,018,002</u>	<u>\$36,109,438</u>	<u>\$46,391</u>	<u>\$34,829</u>	<u>\$35,064,393</u>	<u>\$36,144,267</u>

Debt Administration

At June 30, 2014, the District had \$17,040,475 of long-term debt. Of this amount, \$1,275,475 is compensated absence and \$15,765,000 is school improvement serial bonds issues dated April 4, 2012.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
School Improvement Bonds - 2003	\$	1,110,000
School Refunding Bonds - 2012	<u>15,765,000</u>	<u>16,470,000</u>
	<u>\$15,765,000</u>	<u>\$17,580,000</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2014-2015 school year that is greater than the level of the 2013-2014 school year.

These factors were considered in preparing the Borough of Ramsey School District's budgets for the 2014-2015 school year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Ramsey Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Robert J. Marcotulli
Assistant Superintendent-Business / Board Secretary
Ramsey Board of Education
266 East Main Street
Ramsey, NJ 07446

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

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RAMSEY BOARD OF EDUCATION
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	1,975,921	66,665	2,042,586
Investments	239,479		239,479
Receivables, net	6,604,362	37,181	6,641,543
Internal balances	(94,102)	94,102	-
Inventory		7,496	7,496
Restricted assets:			
Capital reserve account - cash	4,837,630		4,837,630
Capital assets, net:			
Land	4,425,700		4,425,700
Other capital assets, net	30,592,302	46,391	30,638,693
Total Assets	<u>48,581,292</u>	<u>251,835</u>	<u>48,833,127</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	<u>137,941</u>		<u>137,941</u>
Total Deferred Outflows	<u>137,941</u>		<u>137,941</u>
LIABILITIES			
Accounts payable and accrued liabilities	234,208		234,208
Payable to state government	33,044		33,044
Loans payable	2,500,000		2,500,000
Unearned revenue	2,772		2,772
Noncurrent liabilities:			
Due within one year	1,850,000		1,850,000
Due beyond one year	15,190,475		15,190,475
Total liabilities	<u>19,810,499</u>	<u>-</u>	<u>19,810,499</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	<u>1,112,728</u>		<u>1,112,728</u>
Total Deferred Inflows	<u>1,112,728</u>		<u>1,112,728</u>
NET POSITION			
Net investment in capital assets	18,278,215	46,391	18,324,606
Restricted for:			
Debt service	126,105		126,105
Capital projects	4,944,223		4,944,223
Other purposes	4,723,909		4,723,909
Unrestricted (Deficit)	<u>(276,446)</u>	<u>205,444</u>	<u>(71,002)</u>
Total net position	<u>27,796,006</u>	<u>251,835</u>	<u>28,047,841</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	18,492,941	3,452,666			(21,945,607)		(21,945,607)	
Special education	3,931,862	789,109		726,934	(3,994,037)		(3,994,037)	
Other special instruction	791,837	122,112			(913,949)		(913,949)	
Other instruction	1,002,426	158,664			(1,161,090)		(1,161,090)	
Support services:								
Instruction	2,446,519				(2,446,519)		(2,446,519)	
Student & instruction related services	7,040,324	1,229,023			(7,883,818)		(7,883,818)	
General administrative services	1,249,809	89,703		385,529	(1,339,512)		(1,339,512)	
School administrative services	1,846,347	330,143			(2,176,490)		(2,176,490)	
Central Services	473,459	84,996			(558,455)		(558,455)	
Administrative information tech.	17,460				(17,460)		(17,460)	
Plant operations and maintenance	4,500,902	444,468			(4,945,370)		(4,945,370)	
Pupil transportation	1,386,596	31,049			(1,417,645)		(1,417,645)	
Unallocated benefits	4,642,472				(4,642,472)		(4,642,472)	
Capital outlay - non-depreciable	751,687				(751,687)		(751,687)	
Interest on long-term debt	580,083				(580,083)		(580,083)	
Unallocated depreciation	1,579,166				(1,579,166)		(1,579,166)	
Amortization	(121,848)				121,848		121,848	
Total governmental activities	50,612,042	6,731,933	-	1,112,463	(56,231,512)	-	(56,231,512)	
Business-type activities:								
Food Service	710,095		592,876	103,493		(13,726)	(13,726)	
Total business-type activities	710,095		592,876	103,493		(13,726)	(13,726)	
Total primary government	51,322,137		592,876	1,215,956	(56,231,512)	(13,726)	(56,245,238)	
General revenues:								
Taxes:								
Levied for general purposes					48,292,660		48,292,660	
Taxes levied for debt service					2,417,466		2,417,466	
Federal and State aid not restricted					6,402,622		6,402,622	
Tuition received					149,184		149,184	
Tuition from Other LEAs Within the State					1,710,500		1,710,500	
Transportation Fees					27,216		27,216	
Investment Earnings					7,141	64	7,205	
Miscellaneous Income					88,594		88,594	
Total general revenues, special items, extraordinary items and transfers					59,095,383	64	59,095,447	
Change in Net Position					2,863,871	(13,662)	2,850,209	
Net Position—beginning					24,932,135	265,497	25,197,632	
Net Position—ending					27,796,006	251,835	28,047,841	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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RAMSEY BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	4,406,656				4,406,656
Investments			239,479		239,479
Accounts Receivable -					
Intergovernmental - State	705,051		5,567,272		6,272,323
Intergovernmental - Federal	17,046	73,843			90,889
Interfund receivables	684,117			632,381	1,316,498
Other receivables	241,150				241,150
Restricted cash and cash equivalents:					
Capital Reserve	4,837,630				4,837,630
Total assets	<u>10,891,650</u>	<u>73,843</u>	<u>5,806,751</u>	<u>632,381</u>	<u>17,404,625</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash and cash equivalents			1,924,459	506,276	2,430,735
Intergovernmental payable:					
State		33,044			33,044
Temporary Notes Payable			2,500,000		2,500,000
Interfund Payable	94,102	40,799	1,275,699		1,410,600
Unearned revenue	2,772				2,772
Total liabilities	<u>96,874</u>	<u>73,843</u>	<u>5,700,158</u>	<u>506,276</u>	<u>6,377,151</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,352,131				2,352,131
Excess Surplus - prior year - designated for subsequent year's expenditures	2,341,639				2,341,639
Capital reserve account	4,837,630				4,837,630
Assigned to:					
Designated by the BOE for subsequent year's expenditures	30,139				30,139
Capital projects fund			106,593		106,593
Debt service fund				126,105	126,105
Unassigned:					
General Fund	1,233,237				1,233,237
Total Fund balances	<u>10,794,776</u>	<u>-</u>	<u>106,593</u>	<u>126,105</u>	<u>11,027,474</u>
Total liabilities and fund balances	<u>10,891,650</u>	<u>73,843</u>	<u>5,806,751</u>	<u>632,381</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,669,597 and the accumulated depreciation is \$26,651,595. 35,018,002

Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$1,390,910 and accumulated amortization is \$278,182. (1,112,728)

Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$172,427 and accumulated amortization is \$34,486. 137,941

Accrued interest liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8). (234,208)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8). (17,040,475)

Net position of governmental activities 27,796,006

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	48,292,660			2,417,466	50,710,126
Tuition charges	149,184				149,184
Tuition from Other LEAs Within the State	1,710,500				1,710,500
Transportation Fees	27,216				27,216
Interest on Investments	6,896		245		7,141
Miscellaneous	76,817			11,777	88,594
Total - Local Sources	50,263,273	-	245	2,429,243	52,692,761
State sources	6,385,576	300,374			6,685,950
Federal sources	17,046	812,089			829,135
Total revenues	56,665,895	1,112,463	245	2,429,243	60,207,846
EXPENDITURES					
Current:					
Regular instruction	17,766,007	726,934			18,492,941
Special education instruction	3,931,862				3,931,862
Other special instruction	791,837				791,837
School sponsored/other instructional	1,002,426				1,002,426
Support services and undistributed costs:					
Instruction	2,446,519				2,446,519
Attendance and social work services	42,916				42,916
Health services	443,315				443,315
Student & instruction related services	6,168,564	385,529			6,554,093
General administrative services	1,249,809				1,249,809
School administrative services	1,846,347				1,846,347
Central services	473,459				473,459
Administrative information tech.	17,460				17,460
Plant operations and maintenance	4,500,902				4,500,902
Pupil transportation	1,386,596				1,386,596
Unallocated benefits	6,731,933				6,731,933
On-behalf contributions	4,423,952				4,423,952
Debt Service:					
Principal				1,815,000	1,815,000
Interest and charges				606,896	606,896
Capital outlay	197,736		1,041,681		1,239,417
Total expenditures	53,421,640	1,112,463	1,041,681	2,421,896	57,997,680
Excess (Deficiency) of revenues over expenditures	3,244,255	-	(1,041,436)	7,347	2,210,166
OTHER FINANCING SOURCES (USES)					
Transfers out - Capital Reserves	(1,040,208)				(1,040,208)
Transfers out - Capital Outlay	(1,473)				(1,473)
Transfers out - Debt Service			(245)		(245)
Transfers in - Capital Projects				245	245
Transfers in - Capital Projects			1,041,681		1,041,681
Total other financing sources and uses	(1,041,681)	-	1,041,436	245	-
Net change in fund balances	2,202,574	-	-	7,592	2,210,166
Fund balance—July 1	8,592,202	-	106,593	118,513	8,817,308
Fund balance—June 30	10,794,776	-	106,593	126,105	11,027,474

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2014

Total net change in fund balances - governmental funds (from B-2)		2,210,166
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	(1,579,166)
	Depreciable outlays	487,730
		(1,091,436)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year, these amounts consist of:		
Serial bond obligations		1,815,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in interest is an adjustment in the reconciliation.		
Prior Year	261,021	
Current Year	(234,208)	
		26,813
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in compensated absences payable		(218,520)
The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)		
		139,091
The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)		
		(17,243)
Change in net position of governmental activities		<u><u>2,863,871</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Food Service Program</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	66,665
Accounts receivable:	
State	979
Federal	12,946
Interfund - General Fund	94,102
Other	23,256
Inventories	7,496
Total current assets	<u>205,444</u>
Noncurrent assets:	
Capital assets:	
Equipment	500,043
Less accumulated depreciation	<u>(453,652)</u>
Total capital assets (net of accumulated depreciation)	<u>46,391</u>
Total assets	<u><u>251,835</u></u>
<u>NET POSITION</u>	
Net investment in capital assets	46,391
Unrestricted	<u>205,444</u>
Total net position	<u><u>251,835</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Exhibit B-5

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2014

	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	205,906
Daily sales - non-reimbursable programs	304,852
Special functions	82,118
Total operating revenues	<u>592,876</u>
Operating expenses:	
Cost of sales	241,711
Salaries	217,843
Benefits	68,248
Supplies and materials	19,594
Purchased property services	85,431
Cleaning repair & maintenance	60,360
Depreciation	16,908
Total Operating Expenses	<u>710,095</u>
Operating income (loss)	<u>(117,219)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	4,124
Federal sources:	
National school lunch program	67,942
Food distribution program	31,427
Interest Income	64
Total nonoperating revenues (expenses)	<u>103,557</u>
Income (loss) before contributions & transfers	<u>(13,662)</u>
Change in net position	(13,662)
Total net position—beginning	<u>265,497</u>
Total net position—ending	<u><u>251,835</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2014

	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	580,664
Payments to suppliers	<u>(707,512)</u>
Net cash provided by (used for) operating activities	<u>(126,848)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Local Sources	158,426
Net cash provided by (used for) non-capital financing activities	<u>158,426</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>64</u>
Net cash provided by (used for) investing activities	<u>64</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(28,470)</u>
Net cash provided by (used for) capital and related financing activities	<u>(28,470)</u>
Net increase (decrease) in cash and cash equivalents	3,172
Balances—beginning of year	<u>63,493</u>
Balances—end of year	<u><u>66,665</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(117,219)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable	315
Depreciation and net amortization	16,908
Food Distribution Program	31,427
(Increase) decrease in inventories	(2,936)
Increase (decrease) in accounts payable	<u>(55,343)</u>
Total adjustments	<u>(9,629)</u>
Net cash provided by (used for) operating activities	<u><u>(126,848)</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	231,130	36,059	1,296,582
Interfund Receivable	<u>12,667</u>		
Total assets	<u>243,797</u>	<u>36,059</u>	<u>1,296,582</u>
LIABILITIES			
Payable to student groups			1,022,573
Payroll deductions and withholdings			242,209
Contribution Pledged to Specific Awards			19,133
Due to State of NJ	3,079		
Interfund Payable			<u>12,667</u>
Total liabilities	<u>3,079</u>		<u>1,296,582</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	240,718		
Reserved for scholarships		<u>36,059</u>	
	<u>240,718</u>	<u>36,059</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2014

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>
ADDITIONS		
Contributions:		
Payroll withholdings	49,476	
Donations		1,050
Total Contributions	<u>49,476</u>	<u>1,050</u>
Investment earnings:		
Interest	235	
Net investment earnings	<u>235</u>	
Total additions	<u>49,711</u>	<u>1,050</u>
DEDUCTIONS		
Unemployment Claims	58,009	
Scholarships awarded		
Total deductions	<u>58,009</u>	
Change in net position	(8,298)	1,050
Net position—beginning of the year	<u>249,016</u>	<u>35,009</u>
Net position—end of the year	<u><u>240,718</u></u>	<u><u>36,059</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education ("Board") of the Borough of Ramsey School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ramsey School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Ramsey School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made additional appropriations during the year for additional federal aid received.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Budgets/Budgetary Control, (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments, (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

T. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the District's financial reporting.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2014, \$-0- of the District's bank balance of \$10,266,058 was exposed to custodial credit risk.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2014, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$6,272,323	\$979	\$6,273,302
Federal Aid	90,889	12,946	103,835
Other	241,150	23,256	264,406
Interfunds	<u>1,316,498</u>	<u>94,102</u>	
Gross Receivables	7,920,860	131,283	6,641,543
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$7,920,860</u>	<u>\$131,283</u>	<u>\$6,641,543</u>

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2014, consist of the following:

\$599,454	Due to the Debt Service Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
32,927	Due to the Debt Service Fund from the Capital Projects Fund for premium on notes.
513,478	Due to the General Fund from the Capital Projects Fund for payment of loan.
102,916	Due to the General Fund from the Capital Projects Fund for prior years expense reimbursement.
26,924	Due to the General Fund from the Capital Projects Fund for transfers from capital reserve in excess of local share of Sprinkler Systems project.
2,772	Due to the General Fund from the Special Revenue Fund for prior years Distance Learning Network Aid deferred revenue.
94,102	Due to the Food Service Fund from the General Fund for subsidy reimbursements received but not turned over.
<u>38,027</u>	Due to the General Fund from the Special Revenue Fund to cover cash deficit.
<u>\$1,410,600</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Restated Balance 6/30/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/14</u>
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	<u>\$4,425,700</u>	<u>\$</u>	<u>\$</u>	<u>\$4,425,700</u>
Total Capital Assets, Not Being Depreciated	<u>4,425,700</u>	<u></u>	<u></u>	<u>4,425,700</u>
Building and building improvements	46,222,212	446,533		46,668,745
Machinery and equipment	<u>10,533,955</u>	<u>41,197</u>	<u></u>	<u>10,575,152</u>
Totals at Historical Cost	<u>56,756,167</u>	<u>487,730</u>	<u></u>	<u>57,243,897</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(16,297,363)	(1,120,077)		(17,417,440)
Equipment	<u>(8,775,066)</u>	<u>(459,089)</u>	<u></u>	<u>(9,234,155)</u>
Total Accumulated Depreciation	<u>(25,072,429)</u>	<u>(1,579,166)</u>	<u></u>	<u>(26,651,595)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>31,683,738</u>	<u>(1,091,436)</u>	<u></u>	<u>30,592,302</u>
Governmental Activities Capital Assets, Net	<u>\$36,109,438</u>	<u>(\$1,091,436)</u>	<u>\$</u>	<u>\$35,018,002</u>
Business-Type Activity				
Equipment	471,573	28,470		500,043
Less Accumulated Depreciation For:				
Equipment	<u>(436,744)</u>	<u>(16,908)</u>	<u></u>	<u>(453,652)</u>
Business-Type Activity Capital Assets, Net	<u>\$34,829</u>	<u>\$11,562</u>	<u>\$</u>	<u>\$46,391</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated depreciation".

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

On April 4, 2012, the District issued \$16,700,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$16,714,000 and the total interest payments defeased was \$1,271,630. The net proceeds of \$17,918,483 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$172,427. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2014 are as follows:

	Balance <u>June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2014</u>	Amounts Due Within <u>One Year</u>	Long-term <u>Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	<u>\$17,580,000</u>	<u>\$</u>	<u>\$(1,815,000)</u>	<u>\$15,765,000</u>	<u>\$1,850,000</u>	<u>\$13,915,000</u>
Total Bonds Payable	<u>17,580,000</u>	<u> </u>	<u>(1,815,000)</u>	<u>15,765,000</u>	<u>1,850,000</u>	<u>13,915,000</u>
Other Liabilities:						
Compensated absences payable	<u>1,056,955</u>	<u>271,340</u>	<u>(52,820)</u>	<u>1,275,475</u>	<u> </u>	<u>1,275,475</u>
Total other liabilities	<u>1,056,955</u>	<u>271,340</u>	<u>(52,820)</u>	<u>1,275,475</u>	<u> </u>	<u>1,275,475</u>
Total Governmental Activities	<u>\$18,636,955</u>	<u>\$271,340</u>	<u>\$(1,867,820)</u>	<u>\$17,040,475</u>	<u>\$1,850,000</u>	<u>\$15,190,475</u>

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 7. LONG-TERM OBLIGATIONS,(continued)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the board are general obligation bonds.

Outstanding bonds payable at June 30, 2014 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2014</u>
Refunding School Bonds	\$16,700,000	4/4/2012	2.0%-5.0%	1/15/2024	<u>\$15,765,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$1,850,000	\$511,000	\$2,361,000
2016	1,850,000	474,000	2,324,000
2017	1,865,000	437,000	2,302,000
2018	1,310,000	381,050	1,691,050
2019	1,355,000	341,750	1,696,750
2020-2024	<u>7,535,000</u>	<u>1,237,450</u>	<u>8,772,450</u>
	<u>\$15,765,000</u>	<u>\$3,382,250</u>	<u>\$19,147,250</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2014 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District had no capital leases outstanding at June 30, 2014.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 8. TEMPORARY NOTES

The District issued temporary notes to fund various capital projects in anticipation of the receipt of Educational Facilities Construction and Financing Act reimbursements. The term of the notes cannot exceed one year but the note may be renewed from time to time for a period not exceeding one year.

One June 30, 2014, the District had \$2,500,000 in outstanding temporary notes due on July 22, 2013 at a rate of 1.25%. At maturity, the notes were paid off.

NOTE 9. OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2012. Total operating lease payments made during the year ended June 30, 2014 were \$116,548. Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2015	\$110,295
2016	59,820
2017	22,358
2018	12,677
2019	<u>3,355</u>
Total future minimum lease payments	<u>\$208,505</u>

NOTE 10. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2014 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year</u>	
<u>Ending</u>	
6/30/14	\$568,443
6/30/13	609,132
6/30/12	598,160

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/14	\$928,960	\$1,657,587	\$81,996
6/30/13	1,477,770	1,758,902	77,751
6/30/12	657,763	1,464,175	70,587

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$2,668,543 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,755,409 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the district-wide financial statements, and fund based statements as revenues and expenditures in accordance with GASB 24.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 10. PENSION PLANS, (continued)

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

The Board contributed total DCRP for the fiscal years ended June 30, 2014, 2013 and 2012 in the amounts of \$9,521, \$4,038 and \$5,563, respectfully.

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AIM Fund Services	Equitable
American United Life	MFS Funds
Guardian Insurance	Lincoln
Mass Mutual	Merrill Lynch
Metropolitan Life	Travlers
Paul Revere	Union Central Life
Valic	

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$235	\$49,476	\$58,009	\$240,718
2012-2013	195	47,248	19,974	249,016
2011-2012	71	45,659	87,085	221,547

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Ramsey Board of Education by inclusion of \$502,000 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	\$2,847,329
Increased by:	
Budget Appropriation	1,630,509
Budget Approved by Resolution - June 24, 2014	1,400,000
Decreased by:	
Transfer to Capital Projects	<u>1,040,208</u>
Ending balance, June 30, 2014	<u>\$4,837,630</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$10,794,776 General Fund fund balance at June 30, 2014, \$4,693,770 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7* (\$2,341,639 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$4,837,630 has been reserved in the Capital Reserve Account; \$30,139 has been designated by the Board for subsequent year's expenditures; and \$1,233,237 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2014 of \$126,105 is unreserved and undesignated.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2014**

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$4,693,770. Of this amount, \$2,352,131 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food	\$3,890
Supplies	<u>3,606</u>
	<u>\$7,496</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 11, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

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BUDGETARY COMPARISON SCHEDULES

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Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	48,292,660		48,292,660	48,292,660	
Tuition	40,000		40,000	149,184	109,184
Tuition from Other LEAs Within the State	1,288,573		1,288,573	1,710,500	421,927
Transportation Fees from Individuals	21,000		21,000	27,216	6,216
Interest Earned on Capital Reserve Funds	5,000		5,000		(5,000)
Other Restricted Miscellaneous Revenues	65,000		65,000		(65,000)
Unrestricted Miscellaneous Revenues	60,000		60,000	83,713	23,713
Total - Local Sources	<u>49,772,233</u>		<u>49,772,233</u>	<u>50,263,273</u>	<u>491,040</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,124,738		1,124,738	1,124,738	
Categorical Security Aid	42,203		42,203	42,203	
Categorical Transportation Aid	73,635		73,635	73,635	
Extraordinary Aid	384,611		384,611	695,825	311,214
Nonpublic Transportation				8,455	8,455
On-behalf TPAF pension Contributions (non-budgeted)				1,657,587	1,657,587
On-behalf NCGI Premium (non-budgeted)				1,010,956	1,010,956
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,755,409	1,755,409
Total - State Sources	<u>1,625,187</u>		<u>1,625,187</u>	<u>6,368,808</u>	<u>4,743,621</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative				17,046	17,046
Total - Federal Sources				<u>17,046</u>	<u>17,046</u>
TOTAL REVENUES	<u>51,397,420</u>		<u>51,397,420</u>	<u>56,649,127</u>	<u>5,251,707</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	459,605	8,000	467,605	467,281	324
Grades 1-5 - Salaries of Teachers	5,833,325	(259,000)	5,574,325	5,492,244	82,081
Grades 6-8 - Salaries of Teachers	4,097,873		4,097,873	4,046,571	51,302
Grades 9-12 - Salaries of Teachers	6,870,198	158,700	7,028,898	6,965,727	63,171
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000		85,000	78,764	6,236
Purchased Professional-Educational Services	10,000		10,000	4,948	5,052
General Supplies	1,000		1,000		1,000
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	88,900	(1,100)	87,800	57,207	30,593
Other Purchased Services (400-500 series)	66,293	(1,797)	64,496	61,023	3,473
General Supplies	342,351	7,329	349,680	324,031	25,649
Textbooks	273,317	(1,393)	271,924	263,369	8,555
Other Objects	6,163	(300)	5,863	4,842	1,021
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>18,134,025</u>	<u>(89,561)</u>	<u>18,044,464</u>	<u>17,766,007</u>	<u>278,457</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	874,676	4,000	878,676	877,047	1,629
Other Salaries for Instruction	641,690	(13,000)	628,690	628,614	76
General Supplies	11,450		11,450	6,646	4,804
Total Learning and/or Language Disabilities	<u>1,527,816</u>	<u>(9,000)</u>	<u>1,518,816</u>	<u>1,512,307</u>	<u>6,509</u>
Multiple Disabilities					
Salaries of Teachers	250,627		250,627	245,288	5,339
Other Salaries for Instruction	250,183	(108,900)	141,283	141,189	94
Other Purchased Services (400-500 Series)	22		22	21	1
General Supplies	3,694		3,694	2,091	1,603
Total Multiple Disabilities	<u>504,526</u>	<u>(108,900)</u>	<u>395,626</u>	<u>388,589</u>	<u>7,037</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,686,297	(45,000)	1,641,297	1,640,546	751
Other Salaries for Instruction	19,058	11,000	30,058	29,231	827
Other Purchased Services (400-500 Series)	2,191		2,191	2,189	2
General Supplies	37,951	(984)	36,967	16,724	20,243
Textbooks	8,940	(258)	8,682	5,537	3,145
Total Resource Room/Resource Center	<u>1,754,437</u>	<u>(35,242)</u>	<u>1,719,195</u>	<u>1,694,227</u>	<u>24,968</u>

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	122,412		122,412	121,878	534
Other Salaries for Instruction	157,699	60,000	217,699	208,382	9,317
General Supplies	3,500		3,500	1,730	1,770
Total Preschool Disabilities - Full-Time	283,611	60,000	343,611	331,990	11,621
Home Instruction:					
Salaries of Teachers	40,000		40,000	4,749	35,251
Total Home Instruction	40,000		40,000	4,749	35,251
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,110,390	(93,142)	4,017,248	3,931,862	85,386
Basic Skills/Remedial - Instruction					
Salaries of Teachers	515,100		515,100	505,730	9,370
Other Salaries for Instruction	209,794		209,794	181,779	28,015
General Supplies	5,486	(117)	5,369	4,707	662
Total Basic Skills/Remedial - Instruction	730,380	(117)	730,263	692,216	38,047
Bilingual Education - Instruction					
Salaries of Teachers	121,832		121,832	97,308	24,524
General Supplies	1,509	40	1,549	1,543	6
Textbooks	1,300		1,300	770	530
Total Bilingual Education - Instruction	124,641	40	124,681	99,621	25,060
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	239,300	5,300	244,600	244,593	7
Purchased Services (300-500 series)	28,800	976	29,776	27,670	2,106
Supplies and Materials	6,874		6,874	5,758	1,116
Other Objects	3,300	1,000	4,300	4,169	131
Total School-Sponsored Co/Extra Curricular Activities - Instruction	278,274	7,276	285,550	282,190	3,360
School-Sponsored Athletics - Instruction					
Salaries	550,200		550,200	538,950	11,250
Purchased Services (300-500 series)	119,192	2,300	121,492	120,998	494
Supplies and Materials	44,488	7,417	51,905	45,905	6,000
Other Objects	22,375	(7,917)	14,458	14,383	75
Total School-Sponsored Athletics - Instruction	736,255	1,800	738,055	720,236	17,819
TOTAL INSTRUCTION	24,113,965	(173,704)	23,940,261	23,492,132	448,129
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	814,250	(197,900)	616,350	598,288	18,062
Tuition to County Voc. School Dist. - Regular	176,400		176,400	159,600	16,800
Tuition to CSSD & Regional Day Schools	253,760	55,000	308,760	307,602	1,158
Tuition to Private Schools for the Disabled Within State	1,399,653	(138,767)	1,260,886	1,202,953	57,933
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	132,000	146,000	278,000	178,076	99,924
Tuition - Other					
Total Undistributed Expenditures - Instruction:	2,776,063	(135,667)	2,640,396	2,446,519	193,877
Undistributed Expend. - Attend. & Social Work					
Salaries	41,992	1,000	42,992	42,916	76
Total Undistributed Expend. - Attend. & Social Work	41,992	1,000	42,992	42,916	76
Undist. Expend. - Health Services					
Salaries	410,524	20,000	430,524	429,377	1,147
Purchased Professional and Technical Services		1,000	1,000	350	650
Other Purchased Services (400-500 Series)	557	53	610	553	57
Supplies and Materials	13,729	(270)	13,459	12,849	610
Other Objects	248		248	186	62
Total Undistributed Expenditures - Health Services	425,058	20,783	445,841	443,315	2,526
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	642,986		642,986	641,396	1,590
Purchased Prof. Services-Educational Services		3,500	3,500	3,500	
Supplies and Materials	3,065		3,065	2,060	1,005
Total Undist. Expend. - Speech, OT, PT & Related Services	646,051	3,500	649,551	646,956	2,595

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	347,917		347,917	327,976	19,941
Purchased Professional - Educational Services	519,100		519,100	408,281	110,819
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	867,017		867,017	736,257	130,760
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	961,415		961,415	958,748	2,667
Salaries of Secretarial and Clerical Assistants	172,844	4,100	176,944	176,852	92
Other Purchased Professional and Technical Services	51,830		51,830	44,562	7,268
Other Purchased Services (400-500 Series)	7,507		7,507	5,790	1,717
Supplies and Materials	19,585		19,585	17,468	2,117
Other Objects	1,430	300	1,730	1,644	86
Total Undist. Expend. - Guidance	1,214,611	4,400	1,219,011	1,205,064	13,947
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,123,794	(8,000)	1,115,794	1,114,882	912
Salaries of Secretarial and Clerical Assistants	119,507	21,000	140,507	140,064	443
Other Purchased Professional and Technical Services	121,800		121,800	105,051	16,749
Misc. Pur Services (400-500 Series)	11,558	23,900	35,458	13,434	22,024
Supplies and Materials	75,586	(310)	75,276	67,537	7,739
Other Objects	7,150		7,150	1,020	6,130
Total Undist. Expend. - Child Study Teams	1,459,395	36,590	1,495,985	1,441,988	53,997
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	179,131	2,000	181,131	180,950	181
Salaries of Other Professional Staff	21,375		21,375	16,590	4,785
Purchased Prof-Educational Services	51,800		51,800	39,155	12,645
Other Purch Prof. and Tech. Services	9,000		9,000	7,200	1,800
Supplies and Materials	17,000	4,300	21,300	13,461	7,839
Total Undist. Expend. - Improvement of Inst. Services	278,306	6,300	284,606	257,356	27,250
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	751,354	34,000	785,354	783,591	1,763
Salaries of Technology Coordinators	95,354	15,000	110,354	110,032	322
Other Purchased Services (400-500)	34,861	10,000	44,861	40,751	4,110
Supplies and Materials	809,311	94,971	904,282	903,685	597
Other Objects	805		805	775	30
Total Undist. Expend. - Educational Media Serv./Sch. Library	1,691,685	153,971	1,845,656	1,838,834	6,822
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	500	100	600	550	50
Purchased Professional - Educational Services	15,800		15,800	9,360	6,440
Other Purchased Services (400-500 Series)	47,700	(3,400)	44,300	25,470	18,830
Supplies and Materials	400		400		400
Other Objects	7,240		7,240	6,729	511
Total Undist. Expend. - Instructional Staff Training Serv.	71,640	(3,300)	68,340	42,109	26,231
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	469,786	(26,000)	443,786	442,989	797
Legal Services	93,000	(6,500)	86,500	68,785	17,715
Audit Fees	29,900		29,900	29,250	650
Architectural/Engineering Services	80,000	104,500	184,500	171,750	12,750
Other Purchased Professional Services	97,000	26,000	123,000	122,326	674
Purchased Technical Services	17,000	7,000	24,000	22,971	1,029
Communications/Telephone	63,800	9,000	72,800	59,870	12,930
BOE Other Purchased Services	5,500		5,500	191	5,309
Other Purch Services (400-500 Series)	263,922	(26,500)	237,422	236,972	450
General Supplies	53,600	(25,000)	28,600	28,021	579
Judgements Against The School District	25,000	15,000	40,000	40,000	
Misc. Expenditures	6,500		6,500	3,851	2,649
BOE Membership Dues and Fees	31,500		31,500	22,833	8,667
Total Undist. Expend. - Supp. Serv. - General Administration	1,236,508	77,500	1,314,008	1,249,809	64,199
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,083,262		1,083,262	1,007,710	75,552
Salaries of Secretarial and Clerical Assistants	648,710		648,710	622,665	26,045
Purchased Professional and Technical Services	2,979	750	3,729	3,204	525
Other Purchased Services (400-500 series)	83,953	(1,602)	82,351	76,357	5,994
Supplies and Materials	142,958	(1,422)	141,536	126,905	14,631
Other Objects	9,650	(26)	9,624	9,506	118
Total Undist. Expend. - Support Serv. - School Administration	1,971,512	(2,300)	1,969,212	1,846,347	122,865

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Central Services					
Salaries	409,938	20,000	429,938	419,742	10,196
Purchased Professional Services	8,500		8,500	5,350	3,150
Purchased Technical Services		2,000	2,000	1,870	130
Misc. Pur Services (400-500 Series)	20,100	(2,000)	18,100	11,738	6,362
Supplies and Materials	31,000	1,000	32,000	33,308	(1,308)
Miscellaneous Expenditures	2,000		2,000	1,451	549
Total Undist. Expend. - Central Services	471,538	21,000	492,538	473,459	19,079
Undist. Expend. - Admin Info. Technology					
Information Technology					
Purchased Technical Services	22,000		22,000	17,460	4,540
Total Undist. Expend. - Support Serv. - Administrative					
Information Technology	22,000		22,000	17,460	4,540
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	377,042		377,042	280,502	96,540
Cleaning, Repair and Maintenance Services	225,873	148,000	373,873	373,765	108
General Supplies	41,300	(24,800)	16,500	16,481	19
Total Undist. Expend. - Required Maint. for School Facilities	644,215	123,200	767,415	670,748	96,667
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,515,463	(60,673)	1,454,790	1,454,362	428
Salaries of Non-Instructional Aides	258,000	15,000	273,000	272,558	442
Cleaning, Repair and Maintenance Services	215,114	(2,000)	213,114	212,681	433
Other Purchased Property Services	66,250	8,100	74,350	74,090	260
Insurance	265,000	91,000	356,000	355,911	89
Miscellaneous Purchased Services	5,940	100	6,040	5,955	85
General Supplies	219,310	51,866	271,176	271,130	46
Energy (Natural Gas)	387,000	(229,000)	158,000	147,888	10,112
Energy (Electricity)	558,500	(35,000)	523,500	423,865	99,635
Other Objects	31,181	(5,000)	26,181	25,562	619
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,521,758	(165,607)	3,356,151	3,244,002	112,149
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	185,426	3,000	188,426	187,528	898
Cleaning, Repair and Maintenance Services	78,370	124,100	202,470	201,790	680
General Supplies	54,439	(12,000)	42,439	42,381	58
Total Undist. Expend. - Care and Upkeep of Grounds	318,235	115,100	433,335	431,699	1,636
Undist. Expend. - Security (266)					
Salaries	75,000	56,000	131,000	129,257	1,743
Cleaning, Repair and Maintenance Services	9,390	28,000	37,390	25,196	12,194
Total Undist. Expend. - Security	84,390	84,000	168,390	154,453	13,937
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	65,000		65,000	38,474	26,526
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	113,000	2,000	115,000	114,860	140
Cleaning, Repair and Maintenance Services	30,000		30,000	8,347	21,653
Contract Services (Between Home & School)-Vendors	267,350	3,000	270,350	268,594	1,756
Contract Services (Other than Between Home & School)-Vendors	117,078		117,078	114,127	2,951
Contract Services (Sp. Ed. Students)-Vendors	1,100,000	(53,000)	1,047,000	772,389	274,611
Contract Services - Aid in Lieu Pymts - NonPub Sch.	53,200		53,200	40,998	12,202
Misc. Purchased Services - Transportation	4,200		4,200	1,751	2,449
Transportation Supplies	37,086		37,086	27,056	10,030
Total Undist. Expend. - Student Transportation Services	1,786,914	(48,000)	1,738,914	1,386,596	352,318
UNALLOCATED BENEFITS (291)					
Social Security Contributions	650,000	110,655	760,655	647,539	113,116
Other Retirement Contributions-PERS	648,410	(79,966)	568,444	568,443	1
Workmen's Compensation	185,950	56,000	241,950	241,339	611
Health Benefits	6,454,019	(94,800)	6,359,219	5,145,532	1,213,687
Tuition Reimbursement	200,000	(110,655)	89,345	76,198	13,147
Other Employee Benefits	110,800		110,800	52,882	57,918
TOTAL UNALLOCATED BENEFITS	8,249,179	(118,766)	8,130,413	6,731,933	1,398,480
On-behalf TPAF Post Retirement Medical (non-budgeted)				1,657,587	(1,657,587)
On-behalf NCGI Premium (non-budgeted)				1,010,956	(1,010,956)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,755,409	(1,755,409)
TOTAL ON-BEHALF CONTRIBUTIONS				4,423,952	(4,423,952)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	8,249,179	(118,766)	8,130,413	11,155,885	(3,025,472)
TOTAL UNDISTRIBUTED EXPENDITURES	27,778,067	173,704	27,951,771	29,731,772	(1,780,001)
TOTAL GENERAL CURRENT EXPENSE	51,892,032		51,892,032	53,223,904	(1,331,872)

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed					
Custodial Services	28,000		28,000	26,226	1,774
Care and Upkeep of Grounds	33,700		33,700	26,676	7,024
Security	120,000		120,000	83,798	36,202
School Buses-Special	55,700		55,700	52,485	3,215
Total Equipment	<u>237,400</u>		<u>237,400</u>	<u>189,185</u>	<u>48,215</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	13,184		13,184	8,551	4,633
Total Facilities Acquisition and Construction Services	<u>13,184</u>		<u>13,184</u>	<u>8,551</u>	<u>4,633</u>
TOTAL CAPITAL OUTLAY	<u>250,584</u>		<u>250,584</u>	<u>197,736</u>	<u>52,848</u>
TOTAL EXPENDITURES	<u>52,142,616</u>		<u>52,142,616</u>	<u>53,421,640</u>	<u>(1,279,024)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(745,196)</u>		<u>(745,196)</u>	<u>3,227,487</u>	<u>3,972,683</u>
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Capital Outlay - Transfer to Capital Projects				(1,473)	1,473
Capital Reserve - Transfer to Capital Projects				(1,040,208)	1,040,208
Total Other Financing Sources/(Uses):				<u>(1,041,681)</u>	<u>1,041,681</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(745,196)</u>		<u>(745,196)</u>	<u>2,185,806</u>	<u>5,014,364</u>
Fund Balance, July 1	<u>8,696,189</u>		<u>8,696,189</u>	<u>8,696,189</u>	
Fund Balance, June 30	<u>7,950,993</u>		<u>7,950,993</u>	<u>10,881,995</u>	<u>5,014,364</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances					
Increase in Capital Reserve:					
Principal	1,630,509		1,630,509	3,030,509	1,400,000
Interest Deposit to Capital Reserve	5,000		5,000		(5,000)
Withdrawal from Capital Reserve				(1,040,208)	(1,040,208)
Budgeted Fund Balance	<u>(2,380,705)</u>		<u>(2,380,705)</u>	<u>195,505</u>	<u>4,659,572</u>
	<u>(745,196)</u>		<u>(745,196)</u>	<u>2,185,806</u>	<u>5,014,364</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,352,131	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,341,639	
Capital Reserve				4,837,630	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				30,139	
Unassigned Fund Balance				1,320,456	
Total Fund Balance per Governmental Funds (Budgetary)				<u>10,881,995</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				87,219	
Total Fund Balance per Governmental Funds (GAAP)				<u>10,794,776</u>	

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	319,387	14,031	333,418	300,374	(33,044)
Federal Sources	847,871	(35,782)	812,089	812,089	-
Total Revenues	1,167,258	(21,751)	1,145,507	1,112,463	(33,044)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	10,200	554,689	564,889	20,915	543,974
Other Purchased Services (400-500 series)	600,739	(572,981)	27,758	571,732	(543,974)
General Supplies	107,281	(18,808)	88,473	77,022	11,451
Textbooks	43,593	(1,030)	42,563	57,265	(14,702)
Total instruction	761,813	(38,130)	723,683	726,934	(3,251)
Support services:					
Personal Services - Employee Benefits	780	820	1,600	1,600	-
Purchased Professional - Educational Services	394,787	(99,672)	295,115	263,109	32,006
Other Purchased Services (400-500 series)	820	124,289	125,109	120,820	4,289
Other Objects	9,058	(9,058)	-	-	-
Total support services	405,445	16,379	421,824	385,529	36,295
Total Expenditures	1,167,258	(21,751)	1,145,507	1,112,463	33,044
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)					
	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	56,649,127	1,112,463
Difference - budget to GAAP:			
The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		103,987	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(87,219)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>56,665,895</u>	<u>1,112,463</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1]&[C-2]	53,421,640	1,112,463
Differences - budget to GAAP		NONE	NONE
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>53,421,640</u>	<u>1,112,463</u>

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SPECIAL REVENUE FUND

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RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B		Title I, Part A	Title II, Part A Teacher & Principal Training & Recruiting	Totals 2014
		Basic	Preschool			
REVENUES						
State Sources	300,374	680,919	30,402	45,005	55,763	300,374
Federal Sources	-					812,089
Total Revenues	300,374	680,919	30,402	45,005	55,763	1,112,463
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	543,974	27,758	20,915		20,915
Other Purchased Services (400-500 series)	-	16,125	2,644	22,490	35,763	571,732
General Supplies	-					77,022
Textbooks	57,265					57,265
Total instruction	57,265	560,099	30,402	43,405	35,763	726,934
Support services:						
Personal Services - Employee Benefits	-			1,600		1,600
Purchased Professional - Educational Services	243,109				20,000	263,109
Other Purchased Services (400-500 series)	-	120,820				120,820
Other Objects	-					-
Total support services	243,109	120,820	-	1,600	20,000	385,529
Total Expenditures	300,374	680,919	30,402	45,005	55,763	1,112,463
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1b)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Technology Aid	N.J. Nonpublic Auxiliary Services, Chapter 192 English as a Second Language	Compensatory Education	Total Carried Forward
REVENUES							
State Sources	113,414	41,561	84,225	15,704	873	44,597	300,374
Federal Sources	-	-	-	-	-	-	-
Total Revenues	113,414	41,561	84,225	15,704	873	44,597	300,374
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-
Textbooks	-	41,561	-	15,704	-	-	57,265
Total Instruction	-	41,561	-	15,704	-	-	57,265
Support services:							
Personal Services - Employee Benefits	-	-	-	-	-	-	-
Purchased Professional - Educational Services	113,414	-	84,225	-	873	44,597	243,109
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total support services	113,414	-	84,225	-	873	44,597	243,109
Total Expenditures	113,414	41,561	84,225	15,704	873	44,597	300,374
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2014

	N.J. Nonpublic Handicapped Services, Chapter 193			Total Carried Forward
	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES				
State Sources	21,231	78,199	13,984	113,414
Federal Sources				-
Total Revenues	21,231	78,199	13,984	113,414
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Other Purchased Services (400-500 series)				-
General Supplies				-
Textbooks				-
Total instruction	-	-	-	-
Support services:				
Personal Services - Employee Benefits				-
Purchased Professional - Educational Services	21,231	78,199	13,984	113,414
Other Purchased Services (400-500 series)				-
Other Objects				
Total support services	21,231	78,199	13,984	113,414
Total Expenditures	21,231	78,199	13,984	113,414
Excess (Deficiency) of Revenues Over (Under)				
Expenditures and Other Financing Sources (Uses)	-	-	-	-

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CAPITAL PROJECTS FUND

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RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Contribution from Private Sources	-
County Sources - County Grant	-
Transfers from Capital Reserve	1,040,208
Transfers from Capital Outlay	1,473
Interest on Investments	245
	<hr/>
	1,041,926
	<hr/>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	1,041,681
Equipment purchases	-
Transfer to Capital Reserve	-
Transfer to Debt Service Fund	245
	<hr/>
	1,041,926
	<hr/>

Excess (deficiency) of revenues over (under) expenditures -

Fund balance - beginning

152,984

Fund balance - ending

152,984

Recapitulation:

Unrestricted Fund Balance 152,984

Reconciliation to Governmental Funds Statements (GAAP):

SDA Grant Receivable not Recognized on GAAP Basis

(46,391)

Fund Balance per Governmental Funds

106,593

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	367,522		367,522	367,522
Bond proceeds and transfers	945,536		945,536	945,536
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>1,313,058</u>	<u>-</u>	<u>1,313,058</u>	<u>1,313,058</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	1,302,981		1,302,981	1,302,981
Equipment purchases	-		-	-
Transfer to Capital Reserve	10,077		10,077	10,077
	<u>1,313,058</u>	<u>-</u>	<u>1,313,058</u>	<u>1,313,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	SP2502324			
Grant Date	8/5/2002			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,313,059.00			
Additional authorized cost				
Revised authorized cost	1,313,059.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date	June 2003			
Revised target completion date	June 2003			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	309,491		309,491	309,491
Bond proceeds and transfers	2,057,660		2,057,660	2,057,660
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>2,367,151</u>	<u>-</u>	<u>2,367,151</u>	<u>2,367,151</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	227,772		227,772	227,772
Land and improvements	-		-	-
Construction services	2,139,379		2,139,379	2,139,379
Equipment purchases	-		-	-
Transfer to Capital Reserve	-		-	-
	<u>2,367,151</u>	<u>-</u>	<u>2,367,151</u>	<u>2,367,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-070-03-1049			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	2,297,470.00			
Additional authorized cost	69,681.00			
Revised authorized cost	2,367,151.00			
Percentage increase over original authorized cost	0.03			
Percentage completion	100%			
Original target completion date	June 2005			
Revised target completion date	June 2005			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,194,641		1,194,641	1,194,641
Bond proceeds and transfers	2,303,411		2,303,411	2,303,411
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>3,498,052</u>	<u>-</u>	<u>3,498,052</u>	<u>3,498,052</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	463,939		463,939	463,939
Land and improvements	-		-	-
Construction services	3,034,113		3,034,113	3,034,113
Equipment purchases	-		-	-
Transfer to Capital Reserve	-		-	-
	<u>3,498,052</u>	<u>-</u>	<u>3,498,052</u>	<u>3,498,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-055-03-1048			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	3,484,745.00			
Additional authorized cost	13,307.00			
Revised authorized cost	3,498,052.00			
Percentage increase over original authorized cost	0.00			
Percentage completion	100%			
Original target completion date	October 2006			
Revised target completion date	October 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	552,603		552,603	552,603
Bond proceeds and transfers	4,671,696		4,671,696	4,671,696
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>5,224,299</u>	<u>-</u>	<u>5,224,299</u>	<u>5,224,299</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	424,331		424,331	424,331
Land and improvements	-		-	-
Construction services	4,787,641		4,787,641	4,799,968
Equipment purchases	-		-	-
	<u>5,211,972</u>	<u>-</u>	<u>5,211,972</u>	<u>5,224,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,327</u>	<u>-</u>	<u>12,327</u>	<u>-</u>
Additional project information:				
Project number	4310-050-03-1051			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	4,542,187.00			
Additional authorized cost	682,112.00			
Revised authorized cost	5,224,299.00			
Percentage increase over original authorized cost	0.15			
Percentage completion	100%			
Original target completion date	September 2006			
Revised target completion date	September 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	3,706,560		3,706,560	3,706,560
Bond proceeds and transfers	14,401,458		14,401,458	14,401,458
Transfers from Capital Reserve	-		-	-
Transfers from Capital Outlay	-		-	-
	<u>18,108,018</u>	<u>-</u>	<u>18,108,018</u>	<u>18,108,018</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,486,120		1,486,120	1,486,120
Land and improvements	-		-	-
Construction services	16,621,898		16,621,898	16,621,898
Equipment purchases	-		-	-
Transfer to Capital Reserve	-		-	-
	<u>18,108,018</u>	<u>-</u>	<u>18,108,018</u>	<u>18,108,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-055-03-1050			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	18,873,118.00			
Additional authorized cost	(765,100.00)			
Revised authorized cost	18,108,018.00			
Percentage increase over original authorized cost	(0.04)			
Percentage completion	100%			
Original target completion date	May 2006			
Revised target completion date	May 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Building Partial Roof Replacement
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	98,116		98,116	98,116
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	200,574		200,574	200,574
Transfers from Capital Outlay	-		-	-
	<u>298,690</u>	<u>-</u>	<u>298,690</u>	<u>298,690</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	274,010		274,010	298,690
Equipment purchases	-		-	-
Transfer to Capital Reserve	-		-	-
	<u>274,010</u>	<u>-</u>	<u>274,010</u>	<u>298,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,680</u>	<u>-</u>	<u>24,680</u>	<u>-</u>
Additional project information:				
Project number	4310-055-05-1000-NE			
Grant Date	7/29/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	298,690.00			
Additional authorized cost				
Revised authorized cost	298,690.00			
Percentage increase over original authorized cost	-			
Percentage completion	92%			
Original target completion date	August 2007			
Revised target completion date	August 2007			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School PEC Sprinkler Systems
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	41,384		41,384	41,384
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	62,076		62,076	62,076
Transfers from Capital Outlay	-		-	-
	<u>103,460</u>	<u>-</u>	<u>103,460</u>	<u>103,460</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	89,000		89,000	103,460
Equipment purchases	-		-	-
	<u>89,000</u>	<u>-</u>	<u>89,000</u>	<u>103,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,460</u>	<u>-</u>	<u>14,460</u>	<u>-</u>
Additional project information:				
Project number	1310-050-090-1001-G02			
Grant Date	6/19/2009			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	103,460.00			
Additional authorized cost				
Revised authorized cost	103,460.00			
Percentage increase over original authorized cost	-			
Percentage completion	86%			
Original target completion date	October 2010			
Revised target completion date	October 2010			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Lighting of Existing Artificial Turf Field
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	-	-	-	-
Bond proceeds and transfers	-	-	-	-
Contribution from Private Sources	91,392	-	91,392	91,392
Local Sources - County Grant	101,042	-	101,042	101,042
Transfers from Capital Reserve	-	-	-	-
Transfers from Capital Outlay	-	-	-	-
	<u>192,434</u>	<u>-</u>	<u>192,434</u>	<u>192,434</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	192,434	-	192,434	192,434
Equipment purchases	-	-	-	-
	<u>192,434</u>	<u>-</u>	<u>192,434</u>	<u>192,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	OSTFMP-RAMBOE-09-01			
Grant Date	June 22, 2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	192,434.00			
Additional authorized cost				
Revised authorized cost	192,434.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date	June 29, 2011			
Revised target completion date	June 29, 2011			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Partial Roof Replacement and HVAC Upgrades
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	127,108		127,108	127,108
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve	190,662		190,662	190,662
Transfers from Capital Outlay	-		-	-
	<u>317,770</u>	<u>-</u>	<u>317,770</u>	<u>317,770</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services	216,253		216,253	317,770
Equipment purchases	-		-	-
	<u>216,253</u>	<u>-</u>	<u>216,253</u>	<u>317,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,517</u>	<u>-</u>	<u>101,517</u>	<u>-</u>
Additional project information:				
Project number	4310-050-10-1001-G0PB			
Grant Date	9/1/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	317,770.00			
Additional authorized cost				
Revised authorized cost	317,770.00			
Percentage increase over original authorized cost	-			
Percentage completion	68%			
Original target completion date	January 1, 2011			
Revised target completion date	January 1, 2011			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Heat Exchange Replacement at High School
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers			-	-
Transfers from Capital Reserve		44,500	44,500	44,500
Transfers from Capital Outlay	-		-	-
	<u>-</u>	<u>44,500</u>	<u>44,500</u>	<u>44,500</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services		44,500	44,500	44,500
Equipment purchases	-		-	-
	<u>-</u>	<u>44,500</u>	<u>44,500</u>	<u>44,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-050-13-2000			
Grant Date	4/9/2013			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	85,001.00			
Additional authorized cost	(40,501.00)			
Revised authorized cost	44,500.00			
Percentage increase over original authorized cost	(0.48)			
Percentage completion	100%			
Original target completion date	Sept. 30, 2013			
Revised target completion date	Sept. 30, 2013			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Security System at High School
Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers			-	-
Transfers from Capital Reserve		328,708	328,708	328,708
Transfers from Capital Outlay	-	1,473	1,473	1,473
	<u>-</u>	<u>330,181</u>	<u>330,181</u>	<u>330,181</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services		330,181	330,181	330,181
Equipment purchases	-		-	-
	<u>-</u>	<u>330,181</u>	<u>330,181</u>	<u>330,181</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-050-13-1000			
Grant Date	4/3/2013			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	348,310.00			
Additional authorized cost	(18,129.00)			
Revised authorized cost	330,181.00			
Percentage increase over original authorized cost	(0.05)			
Percentage completion	100%			
Original target completion date	Aug 30, 2013			
Revised target completion date	Aug 30, 2013			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis

Fiscal Year Ended June 30, 2014

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers	-		-	-
Transfers from Capital Reserve		667,000	667,000	667,000
Transfers from Capital Outlay	-		-	-
	<u>-</u>	<u>667,000</u>	<u>667,000</u>	<u>667,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Land and improvements	-		-	-
Construction services		667,000	667,000	667,000
Equipment purchases	-		-	-
	<u>-</u>	<u>667,000</u>	<u>667,000</u>	<u>667,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-080-13-2000			
Grant Date	4/3/2013			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	625,009.00			
Additional authorized cost	41,991.00			
Revised authorized cost	667,000.00			
Percentage increase over original authorized cost	0.07			
Percentage completion	100%			
Original target completion date	Oct. 30, 2013			
Revised target completion date	Oct. 30, 2013			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2014

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer to Capital Reserve	Unexpended Balance June 30, 2014
			Prior Years	Current Year		
Wesley D. Tisdale Elementary School Building Additions	August 5, 2002	1,313,058	1,313,058			-
Mary A. Hubbard Elementary School Building Additions and Renovations	September 23, 2003	2,367,151	2,367,151			-
Eric S. Smith Middle School Building Additions and Renovations	September 23, 2003	3,498,052	3,498,052			-
Ramsey High School Building Additions and Renovations	September 23, 2003	5,224,299	5,211,972			12,327
John Y. Dater Elementary School Additions, Renovations and Construction of New School	September 23, 2003	18,108,018	18,108,018			-
Ramsey High School Building Partial Roof Replacement	July 29, 2005	298,690	274,010			24,680
Ramsey HS PEC Sprinkler Systems	June 19, 2009	103,460	89,000			14,460
Ramsey High School Lighting of Existing Artificial Turf Field	June 22, 2010	192,434	192,434			-
Ramsey High School Partial Roof Replacement and HVAC Upgrades	September 1, 2010	317,770	216,253			101,517
Ramsey High School Heat Exchange Replacement	April 9, 2013	44,500		44,500		-
Ramsey High School Security System	April 3, 2013	330,181		330,181		-
Wesley D. Tisdale Elementary School Boiler Replacement	April 3, 2013	667,000		667,000		-
		32,464,613	31,269,948	1,041,681	-	152,984

PROPRIETARY FUNDS

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Exhibit G-1

RAMSEY BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2014

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	66,665	66,665
Accounts receivable:		
State	979	979
Federal	12,946	12,946
Interfund - General Fund	94,102	94,102
Other	23,256	23,256
Inventories	7,496	7,496
Total current assets	<u>205,444</u>	<u>205,444</u>
Noncurrent assets:		
Capital assets:		
Equipment	500,043	500,043
Less accumulated depreciation	<u>(453,652)</u>	<u>(453,652)</u>
Total capital assets (net of accumulated depreciation)	<u>46,391</u>	<u>46,391</u>
Total assets	<u><u>251,835</u></u>	<u><u>251,835</u></u>
LIABILITIES		
NET POSITION		
Net investment in capital assets	46,391	46,391
Unrestricted	<u>205,444</u>	<u>205,444</u>
Total net position	<u><u>251,835</u></u>	<u><u>251,835</u></u>

RAMSEY BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2014

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	205,906	205,906
Daily sales - non-reimbursable programs	304,852	304,852
Special functions	82,118	82,118
Total operating revenues	<u>592,876</u>	<u>592,876</u>
Operating expenses:		
Cost of sales	241,711	241,711
Salaries	217,843	217,843
Benefits	68,248	68,248
Supplies and materials	19,594	19,594
Purchased property services	85,431	85,431
Cleaning repair & maintenance	60,360	60,360
Depreciation	16,908	16,908
Total Operating Expenses	<u>710,095</u>	<u>710,095</u>
Operating income (loss)	<u>(117,219)</u>	<u>(117,219)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	4,124	4,124
Federal sources:		
National school lunch program	67,942	67,942
Food distribution program	31,427	31,427
Interest Income	64	64
Total nonoperating revenues (expenses)	<u>103,557</u>	<u>103,557</u>
Income (loss) before contributions & transfers	<u>(13,662)</u>	<u>(13,662)</u>
Total net position—beginning	<u>265,497</u>	<u>265,497</u>
Total net position—ending	<u><u>251,835</u></u>	<u><u>251,835</u></u>

RAMSEY BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2014

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	580,664	580,664
Payments to suppliers	(707,512)	(707,512)
Net cash provided by (used for) operating activities	(126,848)	(126,848)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Sources	158,426	158,426
Net cash provided by (used for) non-capital financing activities	158,426	158,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	64	64
Net cash provided by (used for) investing activities	64	64
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(28,470)	(28,470)
Net cash provided by (used for) capital and related financing activities	(28,470)	(28,470)
Net increase (decrease) in cash and cash equivalents	3,172	3,172
Balances—beginning of year	63,493	63,493
Balances—end of year	66,665	66,665
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(117,219)	(117,219)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in accounts receivable	315	315
Depreciation and net amortization	16,908	16,908
Food Distribution Program	31,427	31,427
(Increase) decrease in inventories	(2,936)	(2,936)
Increase (decrease) in accounts payable	(55,343)	(55,343)
Total adjustments	(9,629)	(9,629)
Net cash provided by (used for) operating activities	(126,848)	(126,848)

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FIDUCIARY FUND

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RAMSEY BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	231,130	36,059	1,296,582
Interfund Receivable	12,667		
Total assets	<u>243,797</u>	<u>36,059</u>	<u>1,296,582</u>
LIABILITIES			
Payable to student groups			1,022,573
Payroll deductions and withholdings			242,209
Contributions Pledged to Specific Awards			19,133
Due to State of NJ	3,079		
Interfund Payable			12,667
Total liabilities	<u>3,079</u>	<u>-</u>	<u>1,296,582</u>
NET Position			
Held in trust for unemployment claims and other purposes	<u>240,718</u>		
Reserved for scholarships		<u>36,059</u>	

RAMSEY BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust Fund	Private Purpose Funds
ADDITIONS		
Contributions:		
Payroll withholdings	49,476	
Donations		1,050
Total Contributions	<u>49,476</u>	<u>1,050</u>
Investment earnings:		
Interest	235	
Net investment earnings	<u>235</u>	<u>-</u>
Total additions	<u>49,711</u>	<u>1,050</u>
DEDUCTIONS		
Unemployment Claims	58,009	
Scholarships awarded		
Total deductions	<u>58,009</u>	<u>-</u>
Change in net position	(8,298)	1,050
Net position—beginning of the year	<u>249,016</u>	<u>35,009</u>
Net position—end of the year	<u><u>240,718</u></u>	<u><u>36,059</u></u>

RAMSEY BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Elementary Schools:				
Wesley D. Tisdale School	6,706	20,603	19,347	7,962
Mary A. Hubbard School	1,274	23,359	21,414	3,219
John Y. Dater School	4,003	14,379	16,535	1,847
Total Elementary Schools	<u>11,983</u>	<u>58,341</u>	<u>57,296</u>	<u>13,028</u>
Middle School:				
Eric S. Smith School	<u>26,816</u>	<u>85,696</u>	<u>88,555</u>	<u>23,957</u>
Total Middle Schools	<u>26,816</u>	<u>85,696</u>	<u>88,555</u>	<u>23,957</u>
High School:				
High School	<u>202,380</u>	<u>392,404</u>	<u>379,664</u>	<u>215,120</u>
Total High Schools	<u>202,380</u>	<u>392,404</u>	<u>379,664</u>	<u>215,120</u>
Athletic Departments:				
Athletic Department	<u>607</u>	<u>121,562</u>	<u>120,658</u>	<u>1,511</u>
Total Athletic Department	<u>607</u>	<u>121,562</u>	<u>120,658</u>	<u>1,511</u>
Adult Education:				
Due to Nonsupportive Enrichment Adult Program	<u>647,101</u>	<u>1,389,480</u>	<u>1,267,624</u>	<u>768,957</u>
Total Adult Education	<u>647,101</u>	<u>1,389,480</u>	<u>1,267,624</u>	<u>768,957</u>
Total All Schools	<u>\$ 888,887</u>	<u>2,047,483</u>	<u>1,913,797</u>	<u>1,022,573</u>

RAMSEY BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Net Payroll	1,764	20,313,042	20,314,806	-
Payroll Deductions and Withholdings	275,621	16,532,244	16,584,638	223,227
Flexible Spending Account	14,414	74,755	70,187	18,982
Interfund Payable - UCI	14,895	10,410	12,638	12,667
	<u>306,694</u>	<u>36,930,451</u>	<u>36,982,269</u>	<u>254,876</u>

RAMSEY BOARD OF EDUCATION
Contributions Pledged to Specific Awards
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2014</u>
Contributions Pledged to Specific Awards	<u>6,891</u>	<u>37,200</u>	<u>24,958</u>	<u>19,133</u>
Total Contributions Pledged to Specific Awards	<u><u>6,891</u></u>	<u><u>37,200</u></u>	<u><u>24,958</u></u>	<u><u>19,133</u></u>

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LONG-TERM DEBT

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RAMSEY BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2014

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Principal Payment Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2013</u>	<u>Retired</u>	<u>Balance, June 30, 2014</u>
School Improvements	December 15, 2003	23,434,000				1,110,000	1,110,000	-
						1,110,000	1,110,000	-
Refunding Bond	April 4, 2012	16,700,000	1/15/15	1,850,000	2.00%	16,470,000	705,000	15,765,000
			1/15/16	1,850,000	2.00%			
			1/15/17	1,865,000	3.00%			
			1/15/18	1,310,000	3.00%			
			1/15/19	1,355,000	3.00%			
			1/15/20	1,395,000	3-4%			
			1/15/21	1,455,000	3.000%			
			1/15/22	1,500,000	4.00%			
			1/15/23	1,560,000	4.00%			
			1/15/24	1,625,000	5.00%			
						16,470,000	705,000	15,765,000
						\$ 17,580,000	1,815,000	15,765,000

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	2,417,466		2,417,466	2,417,466	-
Total - Local Sources	2,417,466	-	2,417,466	2,417,466	-
Total Revenues	2,417,466	-	2,417,466	2,417,466	-
EXPENDITURES:					
Regular Debt Service:					
Interest	606,896	-	606,896	606,896	-
Redemption of Principal	1,815,000	-	1,815,000	1,815,000	-
Total Regular Debt Service	2,421,896	-	2,421,896	2,421,896	-
Total expenditures	2,421,896	-	2,421,896	2,421,896	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,430)	-	(4,430)	(4,430)	-
Other Financing Sources:					
Operating Transfers In:					
Premium on Note Issued				11,777	11,777
Interest Earned in Capital Project Fund				245	245
Total Other Financing Sources	-	-	-	12,022	12,022
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(4,430)	-	(4,430)	7,592	12,022
Fund Balance, July 1	118,513	-	118,513	118,513	-
Fund Balance, June 30	114,083	-	114,083	126,105	12,022
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(4,430)		(4,430)	(4,430)	-
Premium on Note				11,777	11,777
Interest Earned in Capital Project Fund				245	245
	(4,430)	-	(4,430)	7,592	12,022

STATISTICAL SECTION

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STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Ramsey Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Fiscal Year Ending June 30,									
Governmental activities										
Invested in capital assets, net of related debt	\$ 9,885,447	\$ 5,532,794	\$ 12,143,452	\$ 13,530,024	\$ 13,954,258	\$ 14,217,638	\$ 15,273,557	\$ 14,628,397	\$ 17,432,803	\$ 18,278,215
Restricted	21,141,355	7,451,798	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237
Unrestricted	(18,477,198)	(74,303)	132,624	(134,265)	(450,212)	(264,084)	(165,952)	(17,482)	(295,447)	(276,446)
Total governmental activities net position	\$ 12,549,604	\$ 12,910,289	\$ 14,775,515	\$ 15,122,999	\$ 16,054,072	\$ 17,463,677	\$ 19,483,171	\$ 21,522,393	\$ 24,932,135	\$ 27,796,006
Business-type activities										
Invested in capital assets, net of related debt	\$ 13,179	\$ 11,200	\$ 182,956	\$ 182,951	\$ 160,821	\$ 142,242	\$ 172,449	\$ 181,888	\$ 34,829	\$ 46,391
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	138,095	167,834	230,380	269,281	297,565	290,411	268,288	239,353	230,668	205,444
Total business-type activities net position	\$ 151,274	\$ 179,034	\$ 413,336	\$ 452,232	\$ 458,386	\$ 432,653	\$ 440,737	\$ 421,241	\$ 265,497	\$ 251,835
District-wide										
Invested in capital assets, net of related debt	\$ 9,898,626	\$ 5,543,994	\$ 12,326,408	\$ 13,712,975	\$ 14,115,079	\$ 14,359,880	\$ 15,446,006	\$ 14,810,285	\$ 17,467,632	\$ 18,324,606
Restricted	21,141,355	7,451,798	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478	7,794,779	9,794,237
Unrestricted	(18,339,103)	93,531	363,004	135,016	(152,647)	26,327	102,336	221,871	(64,779)	(71,002)
Total district net position	\$ 12,700,878	\$ 13,089,323	\$ 15,188,851	\$ 15,575,231	\$ 16,512,458	\$ 17,896,330	\$ 19,923,908	\$ 21,943,634	\$ 25,197,632	\$ 28,047,841

Source: CAFR Schedule A-1

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Ramsey Board of Education
Changes in Net Assets/Position^a, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 16,031,506	\$ 17,018,385	\$ 18,031,316	\$ 18,838,009	\$ 19,400,100	\$ 21,022,394	\$ 21,340,017	\$ 21,268,865	\$ 21,847,647	\$ 21,945,607
Special education	4,139,680	4,679,258	5,403,849	5,625,028	5,811,653	5,783,787	4,919,294	4,590,023	4,651,567	4,720,971
Other special education	1,009,161	1,107,254	865,571	1,208,876	1,237,458	1,044,853	842,159	925,934	924,521	913,949
Other instruction	808,374	846,843	930,976	973,365	1,046,027	1,046,586	1,023,763	1,055,248	1,099,984	1,161,090
Support Services:										
Tuition	2,934,020	2,340,361	2,175,810	2,729,687	2,516,482	1,945,016	2,758,946	2,988,157	2,336,364	2,446,519
Student & instruction related services	4,962,306	6,070,875	6,122,216	6,303,710	6,910,938	7,041,305	7,203,833	7,124,675	7,733,785	8,269,347
General administrative services	1,420,368	1,322,446	1,346,644	1,118,308	1,500,420	1,114,013	1,239,011	1,293,683	1,247,047	1,339,512
School administrative services	1,816,910	2,243,484	2,211,433	2,232,781	2,397,196	2,152,701	2,275,194	2,320,494	2,177,689	2,176,490
Central services	353,886	414,089	369,167	472,582	492,412	513,877	533,362	540,506	538,395	558,455
Administrative information tech.	15,500	16,000	49,956	16,980	17,460	17,460	17,460	17,460	17,460	17,460
Business administrative services	3,525,517	3,866,368	4,236,897	4,388,776	4,196,998	4,319,354	4,518,777	4,837,580	4,792,863	4,945,370
Plant operations and maintenance	1,470,713	1,500,168	1,577,582	1,775,989	1,702,849	1,716,737	1,635,220	1,515,917	1,350,075	1,417,645
Pupil transportation	3,103,813	3,602,241	5,059,233	5,144,653	3,230,696	3,268,891	3,205,691	4,082,254	5,163,141	4,423,952
Unallocated Benefits	5,802	34,563	7,753	324,216	548	-	17,175	6,230	664,734	751,687
Capital outlay - non-depreciable	1,331,358	1,172,386	1,146,172	1,224,900	1,207,941	1,074,845	967,729	630,270	1,603,072	580,083
Interest on long-term debt	647,409	647,409	1,382,205	1,350,633	1,403,024	1,394,350	1,333,946	1,215,320	1,797,686	1,797,686
Unallocated depreciation								1,204,483	(121,848)	(121,848)
Capital lease obligations and amortization										
Total governmental activities expenses	43,576,323	46,882,130	50,936,780	53,728,493	53,072,202	53,456,169	53,831,577	55,619,099	56,026,496	57,343,975
Business-type activities:										
Food service	749,606	719,793	699,586	751,601	703,250	787,647	785,738	809,196	730,013	710,095
Total business-type activities expense	749,606	719,793	699,586	751,601	703,250	787,647	785,738	809,196	730,013	710,095
Total district expenses	\$ 44,325,929	\$ 47,601,923	\$ 51,636,366	\$ 54,480,094	\$ 53,775,452	\$ 54,243,816	\$ 54,617,315	\$ 56,428,295	\$ 56,756,509	\$ 58,054,070
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 927,115	\$ 938,724	\$ 1,069,304	\$ 1,107,207	\$ 1,172,014	\$ 1,810,557	\$ 1,178,123	\$ 1,123,278	\$ 1,121,693	\$ 1,112,463
Capital grants and contributions	-	-	-	-	-	35,600	-	-	-	-
Total governmental activities program revenues	927,115	938,724	1,069,304	1,107,207	1,172,014	1,846,157	1,178,123	1,123,278	1,121,693	1,112,463

Ramsey Board of Education
Changes in Net Assets/Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Food service	703,683	689,269	672,938	691,339	631,450	692,468	709,350	692,178	597,772	592,876
Operating grants and contributions	51,212	58,284	64,139	74,103	75,486	88,025	84,472	97,522	93,915	103,493
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	754,895	747,553	737,077	765,442	706,936	780,493	793,822	789,700	691,687	696,369
Total district program revenues	\$ 1,682,010	\$ 1,686,277	\$ 1,806,381	\$ 1,872,649	\$ 1,878,950	\$ 2,626,650	\$ 1,971,945	\$ 1,912,978	\$ 1,813,380	\$ 1,808,832
Net (Expense)/Revenue										
Governmental activities	\$ (42,649,208)	\$ (45,943,406)	\$ (49,867,476)	\$ (52,621,286)	\$ (51,900,188)	\$ (51,610,012)	\$ (52,653,454)	\$ (54,495,821)	\$ (54,904,803)	\$ (56,231,512)
Business-type activities	5,289	27,760	37,491	13,841	3,686	(7,154)	8,084	(19,496)	(38,326)	(13,726)
Total district-wide net expense	\$ (42,643,919)	\$ (45,915,646)	\$ (49,839,985)	\$ (52,607,445)	\$ (51,896,502)	\$ (51,617,166)	\$ (52,645,370)	\$ (54,515,317)	\$ (54,943,129)	\$ (56,245,238)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 34,181,499	\$ 36,109,734	\$ 39,011,486	\$ 40,527,656	\$ 41,700,559	\$ 43,243,170	\$ 46,159,075	\$ 46,954,695	\$ 47,541,824	\$ 48,292,660
Taxes levied for debt service	2,553,451	2,398,810	2,190,293	2,305,310	2,354,723	2,556,156	2,577,389	2,556,822	2,545,340	2,417,466
Unrestricted grants and contributions	5,306,493	5,712,838	7,239,716	7,188,589	5,716,800	5,241,212	3,957,151	5,454,640	6,819,525	6,402,622
Federal and State aid - Capital Outlay	-	-	-	-	-	-	-	-	5,400	-
Tuition received	1,616,382	1,573,144	1,667,528	1,330,514	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684
Transportation Fees	28,995	26,951	13,301	14,081	23,916	15,830	22,297	24,562	23,677	27,216
Investment earnings	394,818	418,238	459,974	168,198	68,529	39,893	51,977	185	216	7,141
Miscellaneous income	131,066	64,376	121,476	52,217	876,956	232,558	357,943	33,214	37,429	88,594
State aid - State Facilities Grant	-	-	98,116	-	-	-	-	-	-	-
Total governmental activities	44,212,704	46,304,091	50,801,890	51,586,565	52,468,368	53,019,617	54,672,948	56,535,043	58,302,588	59,093,383
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	25	64
Miscellaneous income	-	-	-	-	-	-	-	-	12,706	-
Total business-type activities	-	-	-	-	-	-	-	-	12,731	64
Total district-wide	\$ 44,212,704	\$ 46,304,091	\$ 50,801,890	\$ 51,586,565	\$ 52,468,368	\$ 53,019,617	\$ 54,672,948	\$ 56,535,043	\$ 58,315,319	\$ 59,093,447
Change in Net Position										
Governmental activities	\$ 1,563,496	\$ 360,685	\$ 934,414	\$ (1,034,721)	\$ 568,180	\$ 1,409,605	\$ 2,019,494	\$ 2,039,222	\$ 3,397,785	\$ 2,863,871
Business-type activities	5,289	27,760	37,491	13,841	3,686	(7,154)	8,084	(19,496)	(25,595)	(13,662)
Total district	\$ 1,568,785	\$ 388,445	\$ 971,905	\$ (1,020,880)	\$ 571,866	\$ 1,402,451	\$ 2,027,578	\$ 2,019,726	\$ 3,372,190	\$ 2,850,209

Source: CAFR Schedule A-2

* - GASB Statement No.63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Ramsey Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 1,246,660	\$ 1,174,224	\$ 1,624,145	\$ 1,390,115	\$ 2,480,607	\$ 3,445,095				
Unreserved	1,595,971	1,142,449	1,311,080	1,130,015	822,014	1,016,861	4,118,464	6,344,131	7,504,974	9,531,400
Restricted								420,000		
Committed							127,562	32,722	64,699	30,139
Assigned							1,042,504	1,094,025	1,022,529	1,233,237
Unassigned							\$ 5,288,530	\$ 7,890,878	\$ 8,592,202	\$ 10,794,776
Total general fund	\$ 2,842,631	\$ 2,316,673	\$ 2,935,225	\$ 2,520,130	\$ 3,302,621	\$ 4,461,956				
All Other Governmental Funds										
Reserved	\$ 14,842,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	4,666,713	5,700,341	315,548	47,084	47,084	45,683	106,593	106,593	106,593	106,593
Debt service fund	385,670	577,233	559,746	290,041	22,335	19,345	22,947	8,032	118,513	126,105
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 19,894,695	\$ 6,277,574	\$ 875,294	\$ 337,125	\$ 69,419	\$ 65,028	\$ 129,540	\$ 114,625	\$ 225,106	\$ 232,698

Source: CAFR Schedule B-1

Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	\$ 36,734,950	\$ 38,508,544	\$ 41,201,779	\$ 42,832,966	\$ 44,055,282	\$ 45,799,326	\$ 48,736,464	\$ 49,511,517	\$ 50,087,164	\$ 50,710,126
Tuition charges	1,616,382	1,573,144	1,667,528	1,330,514	1,726,885	1,690,798	1,547,116	1,510,925	1,329,177	1,859,684
Transportation fees	28,995	26,951	13,301	14,081	23,916	15,830	22,297	24,562	23,677	27,216
Interest earned	92,175	143,649	174,815	163,313	68,529	39,893	51,977	185	216	7,141
Other Local Revenue	131,066	64,376	121,476	52,217	876,956	233,558	357,943	33,214	37,429	88,594
State sources	5,637,143	6,032,572	7,552,265	7,513,801	6,064,521	5,572,289	4,217,899	5,635,968	7,094,532	668,5950
Federal sources	596,465	618,990	756,755	781,995	824,293	1,515,080	917,375	941,950	852,086	829,135
Total revenue	44,837,176	46,968,226	51,487,919	52,688,887	53,640,382	54,865,774	55,851,071	57,658,321	59,424,281	60,207,846
Expenditures										
Instruction										
Regular Instruction	13,718,693	14,455,060	15,020,131	15,835,712	16,191,526	17,192,653	17,247,762	17,213,992	18,593,763	18,492,941
Special education instruction	3,502,483	3,988,999	4,490,278	4,681,491	4,786,241	4,630,808	3,912,539	3,654,051	3,813,026	3,931,862
Other special instruction	850,803	926,447	839,054	1,001,460	1,015,953	865,382	682,334	777,329	794,121	791,837
Other instruction	707,449	738,003	793,637	838,039	894,799	842,086	849,802	875,684	935,881	1,002,426
Support Services:										
Tuition	2,267,634	2,340,361	2,175,810	2,353,407	2,516,482	1,945,016	2,758,946	2,994,928	2,336,364	2,446,519
Attendance and social work services	37,879	40,556	41,774	43,168	44,177	45,225	44,137	74,196	40,645	42,916
Health services	275,211	298,739	300,730	333,112	353,605	381,027	401,583	408,930	423,031	443,315
Student & instruction related services	4,572,879	4,990,482	5,128,089	5,429,815	5,576,927	5,512,243	5,674,540	5,246,227	6,004,627	6,554,093
General administrative services	1,132,068	1,237,337	1,247,229	1,022,135	1,394,797	989,238	1,110,822	1,159,074	1,157,927	1,249,809
School Administrative services	1,756,572	1,925,361	1,885,035	1,882,569	2,003,181	1,750,632	1,843,531	1,880,884	1,818,342	1,846,347
Central services	353,886	351,014	369,167	399,437	411,991	418,446	432,114	439,942	449,197	473,459
Administrative information tech	15,500	16,000	49,956	16,980	17,460	17,460	17,460	17,460	17,460	17,460
Business administrative services										
Plant operations and maintenance	3,194,670	3,511,685	3,829,041	3,990,836	3,794,057	3,939,191	3,992,074	4,329,071	4,337,031	4,500,902
Pupil transportation	1,442,881	1,469,777	1,577,582	1,742,765	1,665,714	1,673,943	1,592,399	1,472,325	1,312,946	1,386,596
Unallocated employee benefits	4,787,102	5,379,646	5,774,215	6,274,272	6,563,083	7,620,214	8,113,738	8,014,412	7,255,936	6,731,933
TPAF Pension / Social Security	2,953,638	3,386,324	4,865,451	4,897,722	3,195,812	3,233,976	3,248,520	3,883,306	5,096,104	4,423,952
Special Schools										
Capital outlay	52,488	39,583	91,321	55,752	59,913	92,249	460,295	52,910	1,775,773	1,239,417
Special Revenue Fund										
Debt service:										
Principal										
Interest and other charges	1,180,000	1,235,000	1,295,000	1,355,000	1,405,000	1,460,000	1,580,000	1,650,000	1,925,000	1,815,000
Total expenditures	44,175,287	47,577,210	50,971,439	53,378,572	53,125,597	53,710,830	54,959,985	55,070,888	58,612,476	57,997,680
Excess (Deficiency) of revenues over (under) expenditures	661,889	(608,984)	516,480	(689,685)	514,785	1,154,944	891,086	2,587,433	811,805	2,210,166

Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Bond proceeds		274,589								
Transfers in	302,643		285,159		17,450	74,048	192,564	185	1,440,116	1,041,926
Transfers out	-		(200,574)	4,885	(17,450)	(74,048)	(192,564)	(185)	(1,440,116)	(1,041,926)
Total other financing sources (uses)	302,643	274,589	84,585	4,885	-	-	-	-	-	-
Net change in fund balances	\$ 964,532	\$ (334,395)	\$ 601,065	\$ (684,800)	\$ 514,785	\$ 1,154,944	\$ 891,086	\$ 2,587,433	\$ 811,805	\$ 2,210,166
Debt service as a percentage of noncapital expenditures	5.8%	5.2%	4.9%	4.8%	5.0%	4.8%	4.7%	4.7%	4.3%	4.3%

Ramsey Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Transportation Fees	Tuition Revenue	Rentals	Refund of Prior year Expenses	Cancellation of Prior Year Payable	Misc.	Total
2005	92,175	28,995	1,616,382	23,730	32,508		74,828	1,868,618
2006	143,649	26,951	1,573,144	23,670			40,706	1,808,120
2007	174,815	13,301	1,667,528		23,329		98,147	1,977,120
2008	163,313	14,081	1,330,514		20,668		31,549	1,560,125
2009	66,204	23,916	1,726,885		191,583	613,138	57,110	2,678,836
2010	37,998	15,830	1,690,798		95,738		136,820	1,977,184
2011	50,075	22,297	1,547,116		70,100		93,709	1,783,297
2012		24,562	1,510,925				28,969	1,564,456
2013		23,677	1,329,177				22,202	1,375,056
2014	6,896	27,216	1,859,684		11,172		65,645	1,970,613

Source: District Records

Ramsey Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2005	\$ 39,670,800	\$2,116,832,400			\$ 419,457,400	\$ 124,301,100	\$ 15,103,500	\$2,715,365,200	\$ -	\$ 10,201,272	\$2,725,566,472	1.377	\$2,874,999,400	94.80%
2006	\$ 39,249,900	\$2,141,733,500			\$ 421,916,900	\$ 123,671,100	\$ 14,643,500	\$2,741,214,900	\$ -	\$ 8,139,736	\$2,749,354,636	1.447	\$3,253,420,657	84.51%
2007	\$ 35,772,800	\$2,155,684,500			\$ 432,632,100	\$ 123,671,100	\$ 14,643,500	\$2,762,404,000	\$ -	\$ 8,041,552	\$2,770,445,552	1.555	\$3,813,894,795	72.64%
2008	\$ 46,368,500	\$2,174,431,500			\$ 434,209,900	\$ 116,661,200	\$ 14,643,500	\$2,786,314,600	\$ -	\$ 7,737,523	\$2,794,052,123	1.556	\$3,562,143,515	78.44%
2009	\$ 43,098,900	\$2,206,335,300			\$ 438,558,400	\$ 110,771,900	\$ 14,643,500	\$2,813,408,000	\$ -	\$ 8,802,794	\$2,822,210,794	1.599	\$3,808,264,765	74.11%
2010	\$ 39,244,200	\$2,217,284,100	\$ 787,700	\$ 60,600	\$ 437,542,800	\$ 110,271,900	\$ 14,643,500	\$2,819,834,800	\$ -	\$ 8,679,688	\$2,828,514,488	1.671	\$3,820,525,750	74.03%
2011	\$ 36,287,300	\$2,227,238,000	\$ 787,700	\$ 60,600	\$ 443,851,600	\$ 109,771,900	\$ 14,643,500	\$2,832,640,600	\$ -	\$ 8,679,688	\$2,841,320,288	1.729	\$3,702,343,039	76.74%
2012	\$ 30,368,200	\$2,232,674,400	\$ 787,700	\$ 60,600	\$ 443,870,300	\$ 116,220,700	\$ 14,643,500	\$2,838,625,400	\$ -	\$ 9,447,502	\$2,848,072,602	1.748	\$3,532,621,934	80.62%
2013	\$ 27,718,500	\$2,237,051,300	\$ 787,700	\$ 60,000	\$ 442,433,100	\$ 115,536,600	\$ 14,643,500	\$2,838,230,700	\$ -	\$ 84,100	\$2,838,315,400	1.752	\$3,386,000,514	83.83%
2014	\$ 22,539,500	\$2,253,963,600	\$ 787,700	\$ 60,000	\$ 441,990,200	\$ 113,953,800	\$ 14,643,500	\$2,847,938,300	\$ -	\$ 83,770	\$2,848,022,070	1.873	\$3,410,395,423	83.51%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

Exhibit J-7

Ramsey Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Ramsey Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Ramsey	Bergen County	
2005	1.307	0.070	1.377	0.453	0.210	2.04
2006	1.379	0.068	1.447	0.477	0.218	2.14
2007	0.000	0.000	1.518	0.499	0.233	2.25
2008	1.496	0.059	1.555	0.519	0.256	2.33
2009	1.540	0.059	1.599	0.539	0.260	2.40
2010	1.578	0.093	1.671	0.558	0.265	2.49
2011	1.637	0.092	1.729	0.562	0.271	2.56
2012	1.657	0.091	1.748	0.569	0.272	2.59
2013	1.663	0.089	1.752	0.578	0.273	2.60
2014	1.788	0.085	1.873	0.617	0.276	2.77

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**Ramsey Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Ramsey Interstate CTR LLC	\$ 56,815,800	1	2.00%		\$ 60,085,200	1	2.11%	
Commercial Realty Enterprises	\$ 32,675,000	2	1.15%		\$ 32,675,000	2	1.15%	
Krisujen Realty L.P.	\$ 18,493,100	3	0.65%					
Realty Associates Fund VIII LP	\$ 15,075,600	4	0.53%					
Sopris Mgmt LLC	\$ 14,400,000	5	0.51%					
Triangle 17 Center LLC	\$ 12,860,000	6	0.45%					
Minolta Corp. C/O Tax Mgr	\$ 10,000,000	7	0.35%		\$ 23,398,600	3	0.82%	
Adventures in Recreation, Inc.	\$ 9,125,000	8	0.32%		\$ 9,125,000	8	0.32%	
Ferncroft C/O H.W. Young & Assoc., Inc.	\$ 9,002,600	9	0.32%		\$ 9,002,600	9	0.32%	
Franklin Associates					\$ 17,463,100	4	0.61%	
Emmes Partners					\$ 13,600,000	5	0.48%	
Kislevitz, C/O Hunter Group	\$ 8,638,900	10	0.30%		\$ 12,853,300	7	0.45%	
Ramsey Developers LLC					\$ 13,000,000	6	0.46%	
BRE/ESA Properties LLC					\$ 8,750,000	10	0.31%	
Total	\$ 187,086,000		6.59%		\$ 199,952,800		7.02%	

\$ 2,848,022,070

Net Assessed Valuation: \$ 2,838,230,700

Source: Municipal Tax Assessor.

Exhibit J-9

Ramsey Board of Education
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	36,734,950	36,734,950	100.00%	\$ -
2006	39,740,679	39,740,679	100.00%	\$ -
2007	42,061,180	42,061,180	100.00%	\$ -
2008	43,462,518	43,461,518	100.00%	\$ -
2009	45,019,071	45,019,071	100.00%	\$ -
2010	47,264,967	47,264,967	100.00%	\$ -
2011	48,736,464	48,736,464	100.00%	\$ -
2012	49,511,517	49,511,517	100.00%	\$ -
2013	50,087,164	50,087,164	100.00%	\$ -
2014	50,710,126	50,710,126	100.00%	\$ -

Source: Municipal Tax Collector

Ramsey Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District	
2005	29,499,000	-	-	-	-	29,499,000	\$ 520
2006	28,264,000	-	-	-	-	28,264,000	\$ 451
2007	26,969,000	-	-	-	-	26,969,000	\$ 400
2008	25,614,000	-	-	4,000,000	-	29,614,000	\$ 434
2009	24,209,000	-	-	2,500,000	-	26,709,000	\$ 423
2010	22,749,000	-	-	2,500,000	-	25,249,000	\$ 386
2011	21,169,000	-	-	2,500,000	-	23,669,000	\$ 358
2012	19,505,000	-	-	2,500,000	-	22,005,000	\$ 333
2013	17,580,000	-	-	2,500,000	-	20,080,000	Not Available
2014	15,765,000	-	-	2,500,000	-	18,265,000	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Ramsey Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	29,499,000	-	29,499,000	1.08%	\$ 520
2006	28,264,000	-	28,264,000	1.03%	\$ 451
2007	26,969,000	-	26,969,000	0.97%	\$ 400
2008	25,614,000	-	25,614,000	0.92%	\$ 375
2009	24,209,000	-	24,209,000	0.86%	\$ 383
2010	22,749,000	-	22,749,000	0.80%	\$ 347
2011	21,169,000	-	21,169,000	0.75%	\$ 320
2012	19,505,000	-	19,505,000	0.68%	\$ 295
2013	17,580,000	-	17,580,000	0.62%	Not Available
2014	15,765,000	-	15,765,000	Not Available	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-6 for property tax data.

^b Population data can be found in Exhibit NJ J-14.

Ramsey Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2014

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2014			\$ 15,765,000
Net overlapping debt of School District:			
Town of Ramsey	100.000%	\$ 10,501,300	
County of Bergen	2.097%	\$ 17,808,619	
Subtotal, overlapping debt			\$ 28,309,919
Total direct and overlapping debt			\$ 44,074,919

Sources: Ramsey Municipal Finance Officer / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ramsey. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Legal Debt Margin Calculation for Fiscal Year 2014

[illegible]

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Ramsey Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	14,322	\$ 812,143,332	56,706	4.20%
2006	14,465	\$ 907,158,010	62,714	2.70%
2007	14,492	\$ 976,673,848	67,394	2.40%
2008	14,530	\$ 991,338,310	68,227	3.20%
2009	14,718	\$ 930,148,164	63,198	5.70%
2010	14,490	\$ 948,892,140	65,486	5.90%
2011	14,567	\$ 962,820,432	66,096	5.80%
2012	14,727	\$ 973,395,792	66,096	5.90%
2013	14,706	Not Available	Not Available	5.40%
2014	N/A	Not Available	Not Available	N/A

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Ramsey Board of Education
Principal Employers
Current Year and Nine Years Ago**

Employer	2014			2015		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.	-	0	0.00%	-	1	0.00%
	-	0	0.00%	-	2	0.00%
	-	0	0.00%	-	3	0.00%
	-	0	0.00%	-	4	0.00%
	-	0	0.00%	-	5	0.00%
	-	0	0.00%	-	6	0.00%
	-	0	0.00%	-	7	0.00%
	-	0	0.00%	-	8	0.00%
	-	0	0.00%	-	9	0.00%
	-	0	0.00%	-	10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

Source: Town of Ramsey

Ramsey Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	249	252	254	253	253	248	241	239	242	243
Special education	38	41	43	43	44	42	41	41	42	42
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	49	50	50	50	48	48	48	48	48	44
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	18	18	18	18	18	18	18	17	17	17
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	37	37	37	37	37	37	37	37	37	37
Pupil transportation	5	5	5	5	5	5	5	5	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>406</u>	<u>413</u>	<u>417</u>	<u>416</u>	<u>415</u>	<u>408</u>	<u>400</u>	<u>397</u>	<u>401</u>	<u>398</u>

Source: District Personnel Records

**Ramsey Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2005	3,023	41,569,348	13,751	4.24%	287	13:8	10:0	10:2	3,023	2,894	2.41%	95.73%
2006	3,064	45,055,791	14,705	11.47%	293	13:1	10:1	10:6	3,064	2,948	1.36%	96.21%
2007	3,126	48,387,179	15,479	12.57%	296	11:0	10:2	10:2	3,126	3,005	2.02%	96.13%
2008	3,132	50,743,820	16,202	10.18%	296	11:0	10:3	10:0	3,131	3,004	0.16%	95.94%
2009	3,108	50,425,805	16,225	4.82%	297	12:0	10:8	10:1	3,108	2,985	-0.73%	96.04%
2010	3,102	51,057,540	16,462	6.35%	290	11:7	9:8	10:2	3,102	2,967	-0.93%	95.65%
2011	3,073	51,922,301	16,896	4.29%	282	11:2	9:5	10:3	3,057	2,928	-1.64%	95.78%
2012	3,020	52,441,811	17,365	7.03%	280	13:7	11:8	11:9	3,024	2,903	-1.08%	96.00%
2013	2,971	54,386,401	18,306	11.20%	284	13:3	10:5	11:9	2,977	2,858	-1.55%	96.00%
2014	2,942	54,336,367	18,467	9.29%	285	Not Available	Not Available	Not Available	2,942	2,831	-1.18%	96.23%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Ramsey Board of Education
School Building Information
Last Ten Fiscal Years**

<u>District Buildings</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary										
John Y. Dater Elementary School (Grades K-)										
Square Feet	59,826	59,826	71,488	71,488	71,488	71,488	71,488	71,488	71,488	71,488
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	449	405	501	478	460	419	432	433	412	448
Mary A. Hubbard Elementary School (Grades)										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	478	531	438	442	450	446	427	416	413	414
Welsey D. Tisdale Elementary School (Grades)										
Square Feet	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	535	503	461	440	425	443	444	455	452	406
Middle School										
Eric S. Smith Middle School (Grades 6-8)										
Square Feet	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	748	785	808	841	849	836	785	745	727	742
High School										
Ramsey High School (Grades 9-12)										
Square Feet	190,363	190,363	200,520	200,520	200,520	200,520	200,520	200,520	200,520	200,520
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	799	832	888	931	924	957	968	971	967	924
Other										
Administration Building										
Square Feet	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455

Number of Schools at June 30, 2014

 Elementary = 3

 Middle School = 1

 High School = 1

 Other = 0

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District — out of district students have not been included

Ramsey Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Ramsey High School	N/A	186,110	210,818	214,032	197,365	140,332	173,601	245,786	174,760	108,641	129,769
Eric S. Smith Middle School	N/A	111,489	70,826	108,028	87,711	93,351	99,386	128,573	114,570	98,700	80,471
John Y. Dater Elementary School	N/A	127,547	105,316	100,404	117,377	84,549	91,307	112,158	182,282	87,210	48,324
Mary A. Hubbard Elementary School	N/A	109,326	107,105	111,799	87,909	96,856	144,719	88,861	113,703	74,234	48,507
Welsey D. Tisdale Elementary School	N/A	136,275	126,263	92,930	100,586	95,568	96,431	106,706	106,792	70,089	40,989
Grand Total		\$ 670,748	\$ 620,328	\$ 627,193	\$ 590,948	\$ 510,656	\$ 605,444	\$ 682,084	\$ 692,107	\$ 438,874	\$ 348,060

**Ramsey Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2014
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	Property Blanket Building & Contents- Replacement Cost Values	118,351,490	2,500
	General Liability	5,000,000	
	Comprehensive Automobile Liability	5,000,000	
	Employee Benefit Liability	5,000,000	1,000
	Umbrella Liability	5,000,000	
	First Layer Catastrophe		
	Electronic Data Processing Equipment	Included in Blanket Limit	
	Boiler & Machinery - Umbrella policy	Included in Blanket Limit	
	School Board Legal Liability - Directors and Officers Policy	5,000,000	15,000
	Student Accident Liability		
	Public Employees' Faithful Performance Blanket Position Bond - Treasurer of School Moneys Position Bond - Board Secretary Position Bond - Assistant Board Secretary Blanket Dishonesty Bond	500,000	1,000

Source: District Records

SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Ramsey Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ramsey Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ramsey Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Ramsey Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Ramsey School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 11, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 11, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS **APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL** **CONTROL OVER COMPLIANCE IN ACCORDANCE WITH** **OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Ramsey School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Ramsey Board of Education's major federal and state programs for the year ended June 30, 2014. The Borough of Ramsey Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Ramsey Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for



Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ramsey Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Ramsey Board of Education's compliance.

Basis for Qualified Opinion on Extraordinary Aid State Grant

As described in the accompanying schedule of findings and questioned costs, the Borough of Ramsey Board of Education did not comply with requirements of the Extraordinary Aid grant compliance as described in finding number 2014-01 for Allowable Costs/Cost Principles and Eligibility. Compliance with such requirements is necessary, in our opinion, for the Borough of Ramsey Board of Education to comply with the requirements applicable to that program.

Qualified Opinion on Extraordinary Aid State Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Borough of Ramsey Board of Education complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on the Extraordinary Aid program for the year end June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal and State Programs

In our opinion, the Borough of Ramsey Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Borough of Ramsey Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Ramsey Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major

federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Ramsey Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Ramsey Board of Education as of and for the year ended June 30, 2014, and have issued our report there dated November 11, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing

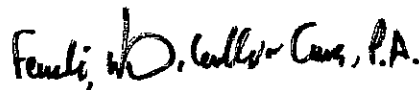
Honorable President and
Members of the Board of Education

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procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 11, 2014

BOROUGH OF RAMSEY SCHOOL DISTRICT

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Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2013	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014	
				From	To							(Accounts Receivable)	Due to Grantor at
General Fund:													
Special Education Medicaid Initiative	93.778		17,046	7/1/2013	6/30/2014				17,046			(17,046)	
Total General Fund									17,046			(17,046)	
US Department of Education													
Passed Through State Dept of Education:													
Special Revenue Fund													
Title I, Part A	84.010	NCLB431014	45,005	7/1/2013	6/30/2014		(17,028)	56,364	45,005			(5,669)	
Title I, Part A	84.010	NCLB431013	39,954	9/1/2012	8/31/2013	(17,028)	17,028	56,364	45,005			(5,669)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431014	55,763	7/1/2013	6/30/2014		(3,673)	51,660	55,763			(7,776)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431013	56,219	9/1/2012	8/31/2013	(3,673)	3,673	51,660	55,763			(7,776)	
IDEA, Part B-Basic	84.027	IDEA431014	680,919	7/1/2013	6/30/2014		(719,408)	1,342,573	680,919			(57,754)	
IDEA, Part B-Basic	84.027	IDEA431013	719,408	9/1/2012	8/31/2013	(719,408)	719,408						
IDEA, Part B-Preschool	84.173	IDEA431014	30,402	7/1/2013	6/30/2014		(32,290)	60,048	30,402			(2,644)	
IDEA, Part B-Preschool	84.173	IDEA431013	32,290	9/1/2012	8/31/2013	(32,290)	32,290						
Total Special Revenue Fund						(751,698)		1,402,621	711,321			(60,398)	
						(772,399)		1,510,645	812,089			(73,843)	
US Department of Agriculture													
Passed Through State Dept of Education:													
Enterprise Fund													
Food Distribution Program	10.550	N/A	31,427	7/1/2013	6/30/2014			31,427	31,427				
National School Lunch Program	10.555	N/A	67,942	7/1/2013	6/30/2014			54,996	67,942			(12,946)	
National School Lunch Program	10.555	N/A	60,273	7/1/2012	6/30/2013	(5,341)		5,341					
Total Enterprise Fund						(5,341)		91,764	99,369			(12,946)	
Total Federal Financial Assistance						\$ (777,740)		1,602,409	928,504			(103,835)	

BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2014

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2013		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014		Memo			
			From	To	Deferred Revenue (Assets Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																	
General Fund																	
Transportation Aid	14-495-034-5120-014	\$ 73,635	7/1/2013	6/30/2014	\$			68,422	73,635					83,635			
Special Education Categorical Aid	14-495-034-5120-089	1,124,738	7/1/2013	6/30/2014				1,045,720	1,124,738					1,124,738			
Security Aid	14-495-034-5120-084	42,203	7/1/2013	6/30/2014				39,215	42,203					42,203			
Extraordinary Aid	14-100-034-5120-473	695,825	7/1/2013	6/30/2014					695,825	(695,825)				695,825			
Extraordinary Aid	13-100-034-5120-473	516,136	7/1/2012	6/30/2013				516,136						516,136			
Non Public Transportation	14-495-078-6060-034	8,455	7/1/2013	6/30/2014					8,455	(8,455)				8,455			
Non Public Transportation	13-495-078-6060-034	11,600	7/1/2012	6/30/2013				11,600						11,600			
NTE Homeless Reimbursement	07-100-025-6060-034	5,460	7/1/2006	6/30/2007										5,460			
Reimbursed TPAF Social Security	14-495-034-5095-051	1,755,409	7/1/2013	6/30/2014				1,755,409	1,755,409	(771)				1,755,409			
Reimbursed TPAF Social Security	13-495-034-5095-051	1,781,681	7/1/2012	6/30/2013				83,927						1,781,681			
On Behalf TPAF - Post Retirement Medical	14-495-034-5095-001	1,657,587	7/1/2013	6/30/2014				1,657,587	1,657,587					1,657,587			
On Behalf TPAF Pension & NCGI Premium	14-495-034-5095-001	1,010,956	7/1/2013	6/30/2014				1,010,956	1,010,956					1,010,956			
Total General Fund						(612,434)		6,188,972	6,368,808			(705,051)		8,693,685			
Special Revenue Fund																	
Distance Learning Network Aid	N/A	2,772	7/1/2007	6/30/2008			2,772										
NJ Non-Public Aid:																	
Textbook Aid	14-100-034-5120-064	42,563	7/1/2013	6/30/2014				42,563	41,561				1,002	41,561			
Technology Aid	13-100-034-5120-064	43,593	7/1/2012	6/30/2013							1,316			42,277			
Technology Aid	14-100-034-5120-373	15,740	7/1/2013	6/30/2014				15,740	15,704				36	15,704			
Technology Aid	13-100-034-5120-373	16,088	7/1/2012	6/30/2013							6			16,082			
Nursing Services	14-100-034-5120-070	84,225	7/1/2013	6/30/2014				84,225	84,225					84,225			
Handicapped Services:																	
Exam & Classification	14-100-034-5120-066	79,632	7/1/2013	6/30/2014				79,632	78,199				1,433	78,199			
Exam & Classification	13-100-034-5120-066	81,697	7/1/2012	6/30/2013							4,618			77,079			
Corrective Speech	14-100-034-5120-066	16,562	7/1/2013	6/30/2014				16,562	13,984				2,578	13,984			
Corrective Speech	13-100-034-5120-066	20,311	7/1/2012	6/30/2013							9,530			10,781			
Supplementary Inst.	14-100-034-5120-066	28,239	7/1/2013	6/30/2014				28,239	21,231				7,008	21,231			
Supplementary Inst.	13-100-034-5120-066	26,366	7/1/2012	6/30/2013							5,483			20,883			
Auxiliary Services:																	
Compensatory Education	14-100-034-5120-067	52,215	7/1/2013	6/30/2014				52,215	44,597				7,618	44,597			
Compensatory Education	13-100-034-5120-067	76,919	7/1/2012	6/30/2013							27,010			49,909			
English as a Second Language	14-100-034-5120-067	3,492	7/1/2013	6/30/2014				3,492	873				2,619	873			
Transportation	14-100-034-5120-068	10,750	7/1/2013	6/30/2014				10,750					10,750				
Total Special Revenue Fund						2,772	47,963	333,418	300,374		47,963		2,772	517,385			

Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2014

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2013			Balance at June 30, 2014			Memo					
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund																
State School Building Aid - EDA Grant																
High School Building Renovation Project	SP # 202361	204,436			(40,887)						(40,887)					204,436
Tisdale Elementary School Building Additions	SP # 202324	367,522			(365,684)						(365,684)					365,684
Mary A. Hubbard Elementary School Building Additions & Renovations	4310-070-03-1049	309,491			(57,588)						(57,588)					309,491
Eric S. Smith Middle School Building Additions & Renovations	4310-055-03-1048	1,194,641			(1,069,204)						(1,069,204)					1,194,641
Ramsey High School Building Additions & Renovations	4310-050-03-1051	552,603			(496,321)						(496,321)					552,603
John Y. Dater Elementary School Additions, Renovation & Construction of New School Replacement	4310-060-03-1050	3,706,560			(3,317,371)						(3,317,371)					3,706,560
Ramsey High School Building Partial Roof Replacement	4190-050-05-1000-NE	98,116			(98,116)						(98,116)					98,116
Ramsey High School PEC Sprinkler Systems	4310-050-090-1001-G02	41,384			(35,600)						(35,600)					35,600
Ramsey High School Partial Roof Replacement and HVAC Upgrades	4310-050-09-1001-G0PB	127,108			(86,501)						(86,501)					86,501
Total Capital Projects Fund																
					(5,567,272)						(5,567,272)					6,553,632
Enterprise Fund																
State Department of Agriculture																
National School Lunch Program (State Share)	14-100-010-3350-023	4,124	7/1/2013	6/30/2014				3,145		4,124	(979)					4,124
National School Lunch Program (State Share)	13-100-010-3350-023	4,196	7/1/2012	6/30/2013	(805)			605								4,196
Total Enterprise Fund																
					(605)				3,750	4,124	(979)					8,320
Total State Financial Assistance																
					(6,177,539)	47,963		6,526,140		6,673,306	47,963	2,772	33,044	(87,219)		15,773,022

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Ramsey School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$16,768 for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$17,046	\$6,385,576	\$6,402,622
Special Revenue Fund	812,089	300,374	1,112,463
Food Service Fund	<u>99,369</u>	<u>4,124</u>	<u>103,493</u>
Total Financial Awards	<u>\$928,504</u>	<u>\$6,690,074</u>	<u>\$7,618,578</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$2,668,543 of on-behalf payments is excluded from major program determination.

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u> (A)	<u>IDEA, Part B-Basic/IDEA, Part B-Preschool</u>

Note: (A) - Tested as Major Type A Program.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: qualified

Internal Control over major programs:

1. Significant deficiencies identified that are not
considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB Circular
Letter 04-04? X yes no

Identification of major programs:

<u>GMIS Number(s)</u>		<u>Name of State Program</u>
<u>495-034-5095-002</u>	(A)	<u>Reimbursed TPAF Social Security Contribution</u>
<u>495-034-5120-089/ 495-034-5120-017/ 495-034-5120-084</u>	(A)	<u>Special Education Categorical Aid/ Transportation Aid/Security Aid</u>
<u>495-034-5120-044</u>	(A)	<u>Extraordinary Aid</u>

Note: (A) - Tested as Major Type A Program.

Section II - Financial Statement Findings

None

**SCHOOL DISTRICT OF THE BOROUGH OF RAMSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

None

**RAMSEY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

STATE AWARDS

Finding 14-1

Information on the state program:

Extraordinary Aid, NJCFS number 100-034-5120-473 Grant Period 7/1/13-6/30/14.

Criteria or specific requirement:

The State of New Jersey, Department of Education, School District and Charter School State Aid/Grant Compliance Supplement states that in order to be eligible for Extraordinary Aid, a special education student must have an IEP that mandates one or more of the applicable intensive services for the period.

Condition:

Several student applications were submitted to the program using intensive services which were not mandated by their IEP for the period.

Questioned costs:

\$58,958.

Context:

Each Extraordinary Aid application must contain an intensive service mandated by the individual student's IEP for the period in order to qualify for the program.

Effect:

By submitting applications with intensive services not mandated by the individual IEPs for the period, the District is not in compliance with Extraordinary Aid grant requirements.

Cause:

Compliance with the guidelines of the grant award requires each program participant to have a qualifying intensive service mandated by their IEP for the period.

Management's response:

Management noted that the District has hired a new Director of Special Services who is aware of these issues and is committed remediate them going forward.

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

STATUS OF PRIOR YEAR FINDINGS

None